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Reports on Korean Energy Development Organization

Preparatory Meetings Held 7 Mar

SK0803021395 Seoul YONHAP in English 0153 GMT 8 Mar 95

[FBIS Transcribed Text] New York, March 7 (YONHAP)—South Korea, the United States and Japan held separate meetings with each possible participating country in the Korean peninsula Energy Development Organization (KEDO) Tuesday afternoon in preparation for Thursday's establishment of the international consortium.

Choe Tong-chin, chief of South Korea's Office of Planning for the Light-Water Project, said, "the separate meetings are designed to explain to each possible participant the contents and implementation of the Geneva agreement between North Korea and the United States."

Choe added that at the meetings, the three main players also tried to encourage those countries which have not yet decided their positions on the KEDO to participate in the international consortium tasked with supplying light-water reactors for North Korea in return for the freezing of its nuclear development program.

Diplomatic sources here said that the countries which are expected to become KEDO members include Australia, New Zealand, the Philippines, Singapore, Indonesia, Malaysia, Kuwait, the United Arab Emirates, France, Germany, Britain, Italy, the Netherlands, Russia and Canada.

The three major participants plan to continue to have separate meetings on Wednesday before holding an informational meeting later in the day with the countries interested in participating in the KEDO.

The KEDO is to be officially inaugurated on Thursday when the three major members will have a ceremony for the signing of the agreement for the establishment of the KEDO. Other countries will only have to submit letters of acceptance of the agreement to the executive director of the KEDO to join the consortium.

Meanwhile, the three countries held a meeting at the U.S. Mission to the United Nations on Tuesday morning to exchange opinions on Thursday's ceremony for signing the agreement for the founding of KEDO.

The international consortium plans to hold its first executive board meeting on Thursday shortly after the agreement is effectuated. The post of the executive director is expected to be assumed by a U.S. official, while the seats for the two deputy executive directors will be taken by a South Korean and a Japanese official.

Choe added, "it is specified in the draft agreement on the KEDO establishment that the supply of South Korean standard model light- water reactors for North Korea is the basic purpose of the establishment of the KEDO."

Representatives Attend Briefing

SK0903030895 Seoul YONHAP in English 0229 GMT 9 Mar 95

[FBIS Transcribed Text] New York, March 8 (YONHAP)—Representatives from 20 countries attended a briefing session Wednesday afternoon on the inauguration of the Korean peninsula Energy Development Organization (KEDO) arranged by South Korea, the United States and Japan at the U.S. Mission to the United Nations here.

KEDO is an international consortium that will oversee the construction of two light-water nuclear reactors worth 4.5 billion U.S. dollars in North Korea.

The countries included Australia, New Zealand, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Brunei from Asia, and Kuwait, the United Arab Emirates, Qatar and Bahrain from the Middle East. Britain, France, Germany, Italy, the Netherlands and Finland from Europe, and Canada and Russia also attended the session. The European Union also took part in the gathering.

The representatives were asked to submit the intent of participation in KEDO to its secretary-general following KEDO inauguration ceremony Thursday. Although no figure is made available as yet, it is expected that most of those countries that attended the briefing session will join the consortium.

KEDO will be officially launched Thursday afternoon when representatives of South Korea, the United States and Japan sign the KEDO establishment agreement in a ceremony at the U.S. Mission to the United Nations.

The establishment agreement stipulates that a basic objective of the KEDO establishment is to supply standard South Korean model light-water reactors to North Korea.

KEDO Officially Inaugurated

SK1003013995 Seoul YONHAP in English 0127 GMT 10 Mar 95

[FBIS Transcribed Text] New York, March 9 (YONHAP)—The Korean peninsula Energy Development Organization (KEDO) was formally inaugurated on Thursday afternoon to manage the international light-water reactor supply for North Korea under the agreed framework signed in Geneva last October.

The "agreement on the establishment of the KEDO" was effectuated as soon as the three nuclear ambassadors from South Korea, the United States and Japan signed it at the U.S. Mission to the United Nations.

The agreement specifies that the light-water reactor project in North Korea consists of "two reactors of the Korean standard nuclear plant model."

The KEDO is to make a contract with North Korea for the light- water reactor supply and then designate a prime contractor to make another contract for the actual construction of light-water reactors in the North.

North Korea, however, is rejecting the South Korean-style reactors, and the KEDO is expected to face difficulties in its negotiation with North Korea for the contract on the reactor supply.

The KEDO held its first executive board meeting shortly after its inauguration and accepted applications from Australia, New Zealand and Canada, bringing the number of its member countries to six. Besides them, at least 17 countries are showing interest in the participation in the KEDO, informed sources said.

The agreement clarifies that the purposes of the KEDO are to provide for the financing and supply of a light-water reactor project in North Korea, consisting of two reactors of the Korean standard nuclear plant model with a capacity of approximately 1,000 megawatt each, pursuant to a supply agreement to be concluded between the KEDO and North Korea, and to provide for the supply of interim energy alternatives in lieu of the energy from North Korea's graphite-moderated reactors pending construction of the first light- water reactor unit.

According to the agreement, the activities undertaken by the KEDO shall be subject to Pyongyang's compliance with the terms of all agreements between North Korea and KEDO and to North Korea acting in a manner consistent with the agreed framework.

"In the event that these conditions are not satisfied, the KEDO may take appropriate steps," the agreement says.

Office of the KEDO will be set up in New York, and the authority to carry out the functions of the KEDO shall be vested in the executive board, according to the agreement. Decisions of the executive board shall be made by a consensus of the representatives of all the original members—South Korea, the United States and Japan, the agreement says.

U.S. nuclear Ambassador Robert Gallucci told a press conference that if North Korea broke the agreed framework by canceling its freezing of nuclear development program, the United States would study serious countermeasures, including the referral of the North Korean nuclear problem to the United Nations Security Council.

A U.S. official will take the post of executive director, while two deputy executive directors will be taken by a South Korean and a Japanese officials. A South Korean source here said that Choe Yong- chin, director-general of the international economic affairs bureau of the Foreign Ministry, might become the deputy executive director from the South Korean side.

Choe Tong-chin, chief of the office of planning for the light- water reactor project in South Korea, Gallucci, U.S. nuclear ambassador, and Tetsuya Endo, Japanese nuclear ambassador, signed the agreement.

ROK, U.S., Japan on Negotiations

SK1103023995 Seoul TONG-A ILBO in Korean 11 Mar 95 p 3

[FBIS Translated Text] A government official said on 10 March that the government has decided to send a delegation to negotiate with North Korea for the conclusion of an agreement on supplying light-water reactors to North Korea and to ask China to persuade North Korea to accept ROK-style light-water reactors.

The government official stated: "The ROK, the United States, and Japan, which inaugurated the Korean Energy Development Organization [KEDO], have agreed to allow representatives from each of the three countries to participate in negotiations with North Korea on the light-water reactor issue, based on the premise that the KEDO remains the main body for concluding a treaty on reactor provision." So the United States, on a commission from the KEDO, will reportedly hold negotiations alone with North Korea until North Korean-U.S. expert-level talks open in late March.

Meanwhile, President Kim Yong-sam will point out to Chinese Premier Li Peng in forthcoming talks to be held in Copenhagen, Denmark on 12 March, that tensions will again be created on the Korean peninsula if North Korea breaks its promise to freeze its nuclear program and resumes nuclear development by operating its reactors, and will ask China to play an active preventive role.

It has also been learned that in the meeting between ROK and PRC Asia directors which is be held in Seoul on 13 March following the summit talks, the ROK and PRC Governments will discuss details of how to mutually cooperate in persuading North Korea.

APEC Wants Secretariat To Remain 'Small'

BK0803142795 Singapore THE STRAITS TIMES in English 7 Mar 95 p 5

[Report by Irene Ngoo]

[FBIS Transcribed Text] APEC [Asia-Pacific Economic Cooperation] member economies want their Singapore-based secretariat to continue to be a "small, simple, and efficient" support mechanism and not run by "international bureaucrats," according to delegates of a task force reviewing its future role.

While conceding that the workload of the two-year-old secretariat had increased considerably, they maintained that it could still remain lean and mean, given the support from governments of the 18- member Asia-Pacific Economic Cooperation forum.

This was the general view that emerged from 40 APEC ambassadors and senior officials of the task force during their first brainstorming session here yesterday on how to restructure the modest APEC Secretariat.

The two-day meeting was held at Alexandra Point, a commercial building in Alexandra Road, which houses the secretariat.

The task force headed by Mr. Wisber Luis, the Indonesian Foreign Ministry's director general for foreign economic relations, was set up after last November's APEC ministerial meeting in Jakarta.

The review comes as the current arrangements for the secretariat, agreed on by APEC ministers at the 1992 annual meeting in Bangkok, expire at the end of this year. Singapore is hosting the secretariat under an initial three-year commitment and this arrangement is expected to continue on a permanent basis.

The APEC secretariat has come under considerable strain in recent years because of fast-growing demands from the six-year-old grouping, which has grown from 12 members in 1989 to 18 last year.

APEC officials described yesterday's free-flowing discussions as productive although they had not yet gone into the specifics on how far the secretariat should go.

"There was a lot of good will and a willingness to contribute from all members," Mr. Luis, who chaired the meeting, told THE STRAITS TIMES.

He said two reports were presented at the session—one was a summary report containing members' views on how to strengthen the secretariat and the other was from APEC's executive director, Japanese Ambassador Shojiro Imanishi.

Most of the deliberations dwelt on the role the secretariat should play in the coming years and how it could keep pace with the growth and development ol the evolving forum.

Some members would like the secretariat to take on new roles, such as data management and research analysis, while others called for outside consultants and specialists to be hired on a contract basis for specific assignments.

Under the current arrangement, APEC governments have seconded about a dozen professional staff to the Singapore secretariat, including the executive and deputy executive directors.

Each member covers the salary of seconded staff, but Singapore foots the salaries of the local support staff and the costs of running the secretariat.

Most delegates interviewed by THE STRAITS TIMES said they would like the secretariat to be "small, simple, and efficient".

"We do not want an OECD-style bureaucracy," said a delegate from an industrialised nation.

This view was underscored by Mr. Imanishi in his six-page report which, among other things, touched on how the secretariat could develop its capability to carry out research and analyses and where to draw such talent.

Reflecting the concern of many APEC countries, he said the secretariat should not be "internalised" as in some international organisations that it "becomes a dinosaur in the end."

He suggested that the secretariat develop a cooperative network with educational and research agencies and commission them to carry out the necessary research work. Alternatively, he said senior APEC officials could be seconded on a temporary basis to undertake such projects.

He was also not in favour of paying secondees from the APEC central fund, insisting that they continued to be paid by their own governments so that they would not feel like "international bureaucrats."

Borrowing a line from Shakespeare, he said: "Let's begin by killing all international bureaucrats.

"Their highest, if not the only, concern is their own welfare, present and future job security, and increasing power."

He was, therefore, against more power for the executive director and said the secretariat should have no more than 100 personnel.

The task force will submit its recommendations to the second senior officials' meeting to be held in Sapporo, Japan in July ahead of November's summit in Osaka.

Japan

Mondale Said Talking With Top Auto Executives

OW1103074195 Tokyo KYODO in English 0645 GMT 11 Mar 95

[FBIS Transcribed Text] Tokyo, March 11 KYODO—The United States, intent on sorting out stalled automobile trade talks with Japan at an early date, has begun ambassador-level contact with top executives of Japanese automakers, according to U.S. sources in Japan.

U.S. Ambassador Walter Mondale met secretly with Nobuhiko Kawamoto, president of Honda Motor Co., on March 2, the sources said.

Mondale was quoted as telling Kawamoto that auto and auto parts are an extremely important sector in Japan-U.S. trade relations.

The U.S. ambassador plans to confer successively with executives of Toyota Motor Corp., the industry leader, and other carmakers as well, according to the sources.

Mondale's action is apparently intended to create the environment surrounding the auto trade talks in favor of the U.S., Japanese industry analysts say.

Deputy U.S. Trade Representative Charlene Barshefsky recently said the two countries plan to resume later this month the auto trade talks which have languished for 18 months.

According to Japanese Government sources in Tokyo, the administration of president Bill Clinton has moved up the deadline for completing a section 301 investigation on replacement auto parts trade with Japan from Sept. 30 to April 30.

The decision was made by the president's National Economic Council, the sources said, although Tokyo has not been informed of it.

Based on the decision, Mondale is believed to be trying to urge Japanese automakers to raise targets of their "voluntary" purchases of foreign-made auto parts.

But it is still uncertain whether Japanese automakers will comply with the U.S. request, industry sources say, because they are beleaguered with the unabated strength of the yen, which makes their exports more expensive abroad.

Japanese trade negotiators believe that the United States may take tough action against Japan if Mondale's talks with Japanese auto executives turns out unsuccessful, and intensify its pressures on Japan toward a meeting in Canada in early may of the so-called quadrilateral trade talks involving Japan, the U.S., the European Union and Canada.

A senior official of the Ministry of International Trade and Industry (MITI) says, "We're ready to take countermeasures should Washington advance the deadline of the section 301 investigation unilaterally." The remark is taken to indicate Tokyo would file a petition with a mediatory panel of the World Trade Organization (WTO) if Washington takes tough action.

CIA Role in Economic Intelligence Discussed

OW1303053695 Tokyo ASAHI SHIMBUN in Japanese 10 Mar 95 Morning Edition p 8

[Article by Eiichi Murano, ASAHI SHIMBUN correspondent in Washington: "Elegy for the CIA: Administrative Reform Compels It To Find a Way To Survive by Collecting 'Economic Intelligence'"]

[FBIS Translated Text] The U.S. Central Intelligence Agency (CIA) is busy trying to defend its organization. In order to escape from the great wave of administrative reform, it is emphasizing the importance of security even in the post-Cold War world, for instance, in order to prevent nuclear proliferation. On the other hand, it has started full-fledged operations of collecting economic information, believing the operations to be easily acceptable to the public as serving the "national interest." The recent U.S.-French controversy over U.S. espionage activities may be said to have brought out in the open the CIA's position of trying to find a way for it to survive in a role as an "economic information agency."

Bill for Dissolution

The CIA cites as major security tasks given it the prevention of the proliferation of weapons of mass destruction and the finding of measures to deal with the terrorist acts of Islamic extremists. It talks about the need to watch the moves of the "post-Deng Xiaoping" leadership in China as well. Recent discussions in Congress on the CIA focused on information related to nuclear arms development by the DPRK (North Korea) and Iran.

In January this year, a bill proposing the CIA's dissolution and absorption into the State Department was presented to the U.S. Senate. The organization spends about $3 billion of the federal budget every year, and employs more than 10,000 people. The sponsor of the bill was Senator Daniel Moynihan (Democrat). Now with the Republican Party in control of Congress, it would be difficult for the bill to get passed. But it has become clear that the CIA, which was protected by thick walls of secretiveness during the Cold War era, is no longer a "sacrosanct area."

In February, former Defense Secretary Aspin was named chairman of a panel to conduct investigations and provide advice regarding the CIA. The panel was established under the direction of Congress, and it is due to review the functions and roles of U.S. information agencies including the CIA and to report the results of its investigation to the president and Congress by March next year. This means that the possibility of downsizing and reorganizing the CIA will be examined.

Declaration of War

Former CIA Director James Woolsey, in a speech broadcast nationwide over radio in December 1993, said: "Some friendly and allied countries are conducting espionage operations on U.S. businesses. It is our role to defend U.S. businesses from spies."

This was a de facto declaration of war—a warning served to other industrialized nations about engaging in industrial espionage—by a CIA which wants to find a new role for itself in the economic arena of the post-Cold War world.

According to a former CIA official, the countries which are conducting industrial espionage operations on U.S. companies are France, Japan, Russia, China, Britain, Germany, Holland, and Belgium.

Major kinds of information they are competing to obtain are: 1) information related to trade policies, such as those on the GATT; and 2) information on research and development and business dealings involving advanced technology. As for the recent case of the CIA allegedly trying to obtain information from the French Government, it may be said that the U.S. Government tried to obtain information related to the first category.

Unfamiliar Field

Melvin Goodman, who was formerly an analyst of the CIA, said the United States, which used to be far ahead of other countries in advanced technology, did not feel the need to collect economic-related information from other countries so much initially, and, consequently, was late in its preparations for collecting economic information. He suggested: "Governments such as Japan's felt they had to act as guardians of the businesses of their countries, but in the U.S. Government, the prevailing outlook was that of the United States being a political and military power."

Besides, the CIA also had its own restraining system blocking its cooperative relations with businesses.

CIA officials have testified in Congressional hearings and on other occasions that U.S. information collection activities are limited to those for the purpose of collecting information on policies of other countries and of searching for evidence of injustice toward U.S. businesses. What they meant to say was that their operations are different from those of countries like France in that they are not in the business of "industrial espionage" or stealing information from other countries' businesses and providing it to the businesses of their own countries.

David Whipple, managing director of the Retired Information Officers Association, an organization made up of former CIA officials, said, "collected information flows directly to businesses in Japan, China, and Russia as well. Businesses in the United States are very independent-minded. Information should not be relayed to individual businesses."

In the U.S. Congress, ideas of fostering cooperative relations with business companies to the level seen in Japan and France are now emerging. In a hearing with outgoing CIA Director Woolsey in January, two senators asked him "why can you not share economic information?"

Goodman said: "One of the problems with the CIA is that it is narrow-minded and isolated. Being structurally so closed to the outside world, it has continued to function without hearing opinions from (outside) experts. The organization should tone down the extent of secretiveness it had from the days of the Cold War, while inviting people into it from the outside. It is necessary to open its door to the people who are likely to provide guidance."

U.S. President Clinton last month nominated as the next CIA director Michael Carns, former assistant secretary of the Air Force with an MBA from Harvard Business School, who has no experience of having served in an intelligence organization. He is to replace Woolsey, who was criticized for being "indulgent with his own people." The "effect" of bringing in a director from outside the organization at this time will be watched with attention.

U.S. Inaction on Dollar Intervention Cited

OW1103060695 Tokyo SANKEI SHIMBUN in Japanese 9 Mar 95 Morning Edition p 9

[Article by Kazuaki Harada, director general of Sanwa Research Institute: "The United States Feels No Pain"]

[FBIS Translated Text] One of the reasons why the United States is not making strenuous efforts to join in coordinated intervention on the dollar is that it is not declining against all currencies. The dollar is sliding against the yen and German mark, but it is rising against the currencies of NAFTA nations—the Canadian dollar and Mexican peso. The possibility of the dollar's decline is very small as far as its overall effective exchange rate against major currencies is concerned.

The inflation rate will rise in the U.S. if prices of imported goods go up in the wake of the dollar's depreciation. At the same time, prices of other goods imported from Canada and Mexico will go down due to the dollar's appreciation against the Canadian dollar and Mexican peso. These two effects will offset each other and the U.S. will not have to worry about possible inflation. Therefore, it does not need to take action to stop the dollar's slide against the yen.

As a matter of fact, U.S. stock and bond markets are continuing to remain firm and there is no fear of a plunge into triple decline—the dollar's slide, drop in stock prices, and drop in bond prices. The overheated economy has cooled down and the U.S. economy is in good condition. Despite the rapid depreciation of the dollar, the United States is feeling no pain at all.

The U.S. is not alone in not taking action to stop the yen's appreciation. European countries have their own reasons for doing so, too. They are preoccupied dealing with such issues as the German mark's appreciation, and devaluation of the Spanish and Portuguese currencies. They cannot afford to worry about the yen. Because of these primary reasons, Japan, the United States, and Europe have failed to coordinate in launching full-scale market intervention.

It is true the United States, as a key currency nation, may become serious and agree to launch coordinated intervention if its stocks and bonds crash and this creates a stir in world financial circles. For example, it will be forced to take emergency measures should the dollar plunge to 85-86 yen or stock prices drop by 70-80 dollars in one day on the New York market.

There are several ways to stabilize exchange rates. But, the important things in coordinated intervention are miraculous timing and unexpectedness. Interest rate adjustments will have considerable effect on stabilizing exchange rates if Japan, the United States, and Germany do it at the same time. But, each country has its own agenda. For example, the U.S. may fear it will fall into depression if business cools off in the wake of interest rate hikes.

In addition, it is important for G-7 finance ministers and central bank governors to once again announce their resolve to stabilize exchange rates. It is also important for the U.S. to express its strong intention to reduce the deficit because its approval of a bill, designed to balance financial accounts by 2002, caused the dollar's slide. We hope President Clinton declares he will exert efforts to reduce the deficit.

Dollar's Weakness 'Out of Line' With Job Data

OW1003153495 Tokyo KYODO in English 1508 GMT 10 Mar 95

[FBIS Transcribed Text] Tokyo, March 10 KYODO—Strong U.S. job data indicate sound economic growth and are out of line with the dollar's recent weakness, a Bank of Japan (BOJ) source said Friday [10 March].

Responding shortly after the Labor Department reported that unemployment fell 0.3 percentage point to 5.4 percent and nonfarm jobs grew by 318,000 last month, the source said the report "hints that the U.S. economy is going soundly in a strong direction toward inflation-free growth."

"These numbers do not justify the recent weak dollar movements," the source said, cautioning against responding too much to monthly figures.

The currency market reacted calmly to the job data, with the dollar edging up from around 91.70 yen to just below the 92 yen line in the moments after the release in European and U.S. quotes, then drifting down to around 91.30 yen an hour later.

The dollar sank below 96 yen late last week for the first time in the postwar exchange system and plummeted as far as 88.75 yen Wednesday in Tokyo.

Its free fall was largely unaffected by the central bank's continual dollar-buying interventions but rebounded when U.S. Federal Reserve Chairman Alan Greenspan and Treasury Secretary Robert Rubin, dealers said. [sentence as received]

Discount Rate Cut Urged To Curb Yen Hike

OW1103101395 Tokyo NIHON KEIZAI SHIMBUN in Japanese 10 Mar 95 Morning Edition p 3

[Interview with Masahiko Komura, director general of the Economic Planning Agency, by unidentified NIHON KEIZAI SHIMBUN reporter on 9 March; place not given—first two paragraphs are NIHON KEIZAI SHIMBUN introduction]

[FBIS Translated Text] Economic Planning Agency [EPA] Director General Masahiko Komura, in the 9 March interview given to NIHON KEIZAI SHIMBUN, discussed how the rapid yen surge affects the Japanese economy and how the government can curb the yen surge. Commenting on the current yen rate, which is slightly more than 90 yen to the dollar, Komura said "every possible measure should be taken to adjust the rate to appropriate levels." He then expressed his hope for an early discount rate cut, saying "the Bank of Japan [BOJ] will take the foreign exchange rates into account when it determines the discount rate." Asked about possible adverse effects of the discount rate cut, he said that easy-money policies at this moment are unlikely to again result in the so-called bubble economy boom, noting "it is proverbially said 'a scalded cat fears cold water.'"

The following is a question-and-answer summary of the interview with Director General Komura:

[NIHON KEIZAI SHIMBUN] How would the economy be damaged if the yen rate is fixed at current levels?

[Komura] It is inappropriate for the government to discuss policies on the assumption that the yen rate will be fixed at high levels. But exchange rates far from economic fundamentals cannot bear favorable effects. In that case, small exporting companies would collapse at first. Of course, larger companies would suffer serious damages as well.

Actual effects of the yen hike have not yet been observed, but psychological damage has occurred. The abnormal yen hike is creating uncertainties in the Japanese economy, which is just beginning to pick up after a prolonged recession.

[NIHON KEIZAI SHIMBUN] Why have you started to call for monetary policies to adjust the yen rate?

[Komura] In the 7 March news conference, I said "monetary policies are at the discretion of the BOJ, but I think the BOJ will set the discount rate at appropriate levels taking the exchange rates into account as an important factor." The BOJ determines the discount rate in view of various conditions, and I think those conditions include exchange rates and market trends.

[NIHON KEIZAI SHIMBUN] Why did you refer to the discount rate rather than manipulation of interest rates in the short-term money market?

[Komura] That is because the current exchange rates are apparently at abnormal levels. Discussions on the discount rates are inevitable under such circumstances as long as they are the best tool to manipulate interest rates.

[NIHON KEIZAI SHIMBUN] Is the Group of Seven (G-7) considering joint actions regarding monetary policy in addition to intervention in the foreign exchange market?

[Komura] That is one possibility as a matter of course. The central banks of Japan, the United States, and Germany agree on the point that the current levels of foreign exchange rates are not correctly reflecting fundamentals.

[NIHON KEIZAI SHIMBUN] BOJ Governor Yasuo Matsushita is taking prudent stances toward the implementation of an easy-money policy to remedy the yen rate hike. What is your comment on this point?

[Komura] There is no logical contradiction between the standpoints of Governor Matsushita and me. I have no intention to comment on this if there are differences in nuances, or in how people translate our words.

[NIHON KEIZAI SHIMBUN] The BOJ is nervous about the discount rate cut because the bubble economy boom was triggered by the BOJ, which continued the 2.5-percent discount rate too long after the 1985 recession...

[Komura] It is proverbially said "a scalded cat fears cold water." I do not know if the proverb fits the BOJ's behavior right now. As the authority on monetary policy, the BOJ will take its action after thorough study.

[NIHON KEIZAI SHIMBUN] The government is seeking an early enactment of a supplementary budget for fiscal year 1995...

[Komura] The supplementary budget should be enacted as early as possible. Even if it takes a certain amount of time to enact it, the government probably can disclose contents of the supplementary budget in advance. It should be finalized as soon as possible because the current yen rate is very likely to affect the economy.

MITI Studying Impact of High Yen on Industry

OW1103021495 Tokyo NIHON KEIZAI SHIMBUN in Japanese 9 Mar 95 Morning Edition p 5

[FBIS Translated Text] On 8 March, the Ministry of International Trade and Industry [MITI] began an emergency survey to gauge the impact of the yen's rapid surge—90 yen against the dollar—on the domestic manufacturing industry. Several hundred companies are expected to participate in the survey including large firms and small subcontractors from various areas such as the automobile and chemical products industry. According to MITI's Industrial Policy Bureau: "Many are concerned not only about export profits losses, but also about a influx of imported items into the manufacturing industry that could cause a large drop in domestic demand."

Research subjects will be asked about prospects for the outcome of the yen's rise, the adaptable exchange rate, and their handling of the situation in the future. "We will be able to handle it in several years, but right now, there is nothing we can do." As seen in this comment, the automobile and other export-oriented industries are mostly concerned that the strong yen will cause huge losses in export profits. "Automakers have been trying to get back to the exchange rate of one dollar to 100 yen" by increasing overseas production and foreign-made auto parts procurement (according to the Machinery and Information Industries Bureau). However, they seem to be having a hard time coping with the quick surge in the yen's value.

Meanwhile, chemical products makers are worried about the secondary impact of the yen's appreciation on their business: "The appreciation may cause our customers, auto and household appliance companies, to register poor performances" and "it will also have adverse effects on economic recovery." Their concern is about a slackening of domestic orders and intensifying calls by their customers for price cuts.

In the textile industry, a sense of crisis has grown among spinning companies that are concerned over a fall in sales triggered by an influx of imported materials in addition to already expensive raw materials. It was said that many called for "the invocation of an emergency safeguard to curb imports of textile products." A small textile product maker said: "It may ruin our export business of high value added products including new synthetic fiber."

On the other hand, there are two different reactions in the personal computer industry where international division of labor has been promoted. According to MITI's Machinery and Information Industries Bureau, while some makers worry about "intensifying competition from imported products," most of them have adopted "a wait-and-see policy" expecting windfall profits from their procurement of foreign-made parts and products. The situation is the same with semiconductor makers whose exports have been increasing. They said: "Thanks to increasing demand, we can afford to cut our dollar-based prices."

MITI thinks the exchange rate of one dollar to 90 yen is "a result of speculative moves" (as stated by Administrative Vice Minister Tomio Tsutsumi). Therefore, it judged "a message must be sent out to the markets to indicate Japan's intention to expand its domestic demand" (according to a senior MITI official). As such, MITI plans to urge the government to immediately compile the supplementary budget for fiscal year 1995 to pave the way for restoration of areas destroyed by the great Hanshin earthquake.

Murayama Urged To Halt Yen's Appreciation

OW1103043295 Tokyo YOMIURI SHIMBUN in Japanese 9 Mar 95 Morning Edition p 3

[Editorial: "Government Urged To Work Seriously To Halt Steep Rise in Yen"]

[FBIS Translated Text] Against the backdrop of economic instability in Mexico, narrowed interest rate differentials between the United States and Germany, and the United States' passive stance on propping up the falling dollar, yen-buying and dollar-selling by international currency speculators has been taking place at a rapid pace.

On the early morning of 8 March Japan time, the yen's exchange rate against the dollar hit an all-time low of 90 yen per dollar on the New York Foreign Exchange Market; the yen's value against the dollar also increased on the Tokyo Foreign Exchange Market.

It is said the proper exchange rate between the yen and dollar calculated on the basis of buying power in both Japan and the United States is about 150 yen per dollar. The current yen-dollar exchange rate is more than six times that level. Compared to the fixed exchange rate of 360 yen per dollar before the yen began appreciating in 1971, the current exchange rate against the dollar shows the yen has since appreciated four times against the dollar.

The sharp appreciation of the yen against the dollar will have a serious impact on Japan's export-oriented industry and the entire economy. A business leader remarked: "The Japanese economy is in crisis." Nonetheless, has the Murayama cabinet fully comprehended the situation and dealt with it properly?

Looking at the way the Murayama cabinet handled the rise of the yen to a post-war high against the dollar from last week up to the evening of 8 March, we have no choice but to say the cabinet has failed to deal with it properly. Its handling of the runaway surge in the yen reminds us of its failure to deal quickly with the great Hanshin earthquake.

On 3 March, cabinet ministers in charge of economic affairs held a meeting to discuss the issue and Finance Minister Takemura consulted U.S. Treasury Secretary Rubin by telephone. Explaining how the government would deal with the sharp appreciation of the yen at a news conference, the finance minister said: "The government has decided to deal with the steep rise in the yen against the dollar in close contact with the governments of other nations, including the United States."

The intervention in foreign exchange markets by the Bank of Japan has done little to halt the sharp rise in the yen, and intervention by the United States and European nations has been sporadic and small scale. On 7 March, U.S. currency authorities remained aloof from the New York Foreign Exchange, thereby allowing the dollar to fall further against the yen and German mark.

On the morning of 8 March, the government held a meeting of cabinet members in charge of economic affairs to discuss ways to stop the yen from appreciating further, but failed to take any concrete steps, thereby fanning the ongoing selling of the dollar.

What the Murayama cabinet needs to do now is map out a package of bold measures to halt the sharp appreciation of the yen against the dollar, implement those measures, and show its resolve at home and abroad not to allow the yen to rise further. This package of bold measures would stop currency speculators from selling the dollar.

The government needs to conclude a clear agreement with the United States and Germany under which they will make bold and flexible interventions in currency markets. A system must be created under which the three nations provide funds to each other to intervene in currency markets.

The United States should raise current interest rates and Germany lower them, in order to have the flow of international funds shift to the dollar. In concert with the United States and Germany, Japan should study the possibility of flexibly changing the official discount rate and market inducement interest rates.

The domestic and international imbalance among industrial nations, a factor in precipitating the dollar's fall, should be rectified in the medium term.

To reduce the trade surplus, Japan should sweepingly relax regulations by implementing the five-year plan for deregulation and take measures to open up its markets. The government should map out a package of measures to stimulate the economy with the aim of reconstructing quake-hit areas and cushioning the shock arising from the appreciated yen. It is important for the government to take fiscal measures in the supplementary budget for FY 1995 to expand domestic demand.

We want to strongly urge the United States to stem the freefall of the dollar in order to cut its fiscal and trade deficits.

Until now, the coordinated policy among Japan, the United States, and Germany has not gone well because of the different aims of their currency and monetary policies. Prime Minister Murayama should display his leadership in taking concrete measures to rein in the ongoing steep rise in the yen in order to urge the United States and Germany to work together to halt the steep depreciation of the dollar.

Tokyo Forced To Make Decision on TMD

OW1103121195 Tokyo SANKEI SHIMBUN in Japanese 9 Mar 95 Morning Edition p 2

[Editorial: "U.S. Report Forces Japan To Make Decision Over TMD System"]

[FBIS Translated Text] The U.S. Department of Defense [DOD] has disclosed the contents of a defense report for fiscal 1995. This report on defense is in line with a report entitled "Security Strategy for East Asia and the Pacific," which the DOD had sent to the Congress. The defense report clearly spells out a policy designed to promote the U.S. alliance with this region by strengthening multilateral cooperation. This is one of the distinctive features of the report. Moreover, another point that arouses our interest is that the report says the United States gives top priority to the development, procurement, and deployment of the theater-missile defense (TMD) system, which is intended to serve as a defense against ballistic missile attacks, and strongly wants Japan to participate in the TMD project.

In addition to economic issues, there are various problems related to the 50th anniversary of the end of World War II, including the atomic bomb exhibition and the Iwo Jima memorial service, between Japan and the United States. Such issues, whether large or small, often become sources of emotional discord. However, we are certain that nobody wants these issues to spread as far as to the area of security. That is because Japan's security without the United States is unthinkable for the time being. In order to preserve close security ties, which the countries have maintained so far, Japan has to study the possibility of providing the U.S. Forces in Japan with more assistance, such as acquisition and cross-servicing agreements (ACSA's) and stockpiling of the goods needed for cross-servicing.

Should Japan treat the TMD system in the same context then? We are certain that the majority of people, if asked whether Japan needs the TMD system, will answer yes. It is said that North Korea already has nuclear warheads (bombs) and is hurriedly developing ballistic missiles referred to as Nodong and Taepodong. Knowing this, Japan cannot rest in peace unless it takes some measures to defend itself from the North Korean missile threat.

Nevertheless, there are too many difficult problems to fully accept the U.S. request, which calls for Japan's participation in the TMD project. The first problem is cost. The United States has already developed several types of defense weapons and estimated costs for three phases of the TMD system, with or without satellites. (The most expensive combination of weapons for the system would cost 16.3 billion dollars.) However, according to a Japanese study, actual costs will be more than double the highest estimate.

There is concern that the TMD concept, should it become extremely expensive, may squeeze the defense budget and be of limited effectiveness—for example, protecting Japan from ballistic missiles but inadequate against cruise missile attacks. Moreover, it is not certain whether Japan will be able to gain technological benefits even if it takes part in the TMD development. The Japan- U.S. relationship is the most important bilateral relationship. However, the white paper on U.S. defense is forcing Japan to make a difficult decision as to how it will seek security within the framework of the bilateral relations.

Local SDPJ To Call for Voting on Base Issue

OW1303084495 Naha RYUKYU SHIMPO in Japanese 12 Mar 95 Morning Edition p 1

[FBIS Translated Text] At its executive committee meeting on 11 March, the prefectural headquarters of the Social Democratic Party of Japan [SDPJ] approved a plan to ask the central government and the SDPJ headquarters to settle the fundamental issues of the bases on Okinawa. From the viewpoint that "it is against the constitution to discriminate against the prefectural people and to force the prefectural people to make sacrifices," the meeting, on the basis of Article 95 of the constitution, decided to call for balloting of the prefectural people on the U.S. military bases on Okinawa.

According to Chief Secretary Satoru Nakasone, the ballot would be aimed at finding the breakthrough to a settlement of the bases issue during the 50th anniversary of the end of World War II by confirming the views of the Okinawan people on "coexistence with or removal of the bases." The prefectural headquarters plans to launch a campaign for settlement of the bases issue by sending a delegation to the central government and SDPJ headquarters in Tokyo in late March. It seems the campaign will echo public opinion.

A document approved by the executive committee is entitled "Views and Requests Regarding the New U.S. 'Report on Strategies for East Asia'." In the document, the committee expressed its strong concerns, saying Okinawa will "semi-permanently remain a victim of U.S. 'aggression' if the new U.S. strategies are forced upon us." The document also points out that "the government is responsible for the current situation in Okinawa."

The document then lists demands, including "confirmation of the prefectural people's will under Article 95 of the constitution," which says that "we cannot allow [the government] to continue to discriminate against Okinawa and to force the Okinawan people to live with the military bases more than half century after the war," and that "while acknowledging the historic events that led to the U.S. bases on Okinawa, we will condemn the Japanese Government for the neglecting its responsibility."

Article 95 stipulates that the government has an obligation to "obtain the backing of the majority of voters" for special laws applicable only to specific regions.

Chief Secretary Nakasone points out: "The land that is used as bases for the U.S. Forces on Okinawa, was forcefully taken from the people. Its use by the U.S. has continued even after reversion. This contravenes the constitution and the government, at the time of reversion, should have solicited the wishes of the Okinawan people through a vote."

He added: "On the basis of Article 95, we will ask the government and the SDPJ headquarters to let the people vote on the issue."

The document also includes a demand for "clarification of timetables for the return of Futenma base, Makiminato supply base, a base in Gushikawa city, and Zukeran base in Chatan"; it expresses its "opposition to the forceful use of base land, for which no lease contract has been signed"; and it urges "settlement of the three pending base issues by the end of 1995."

Media Coverage on Deregulation Issues Continue

Murayama, Ministers Meet

OW1303113995 Tokyo KYODO in English 1056 GMT 13 Mar 95

[FBIS Transcribed Text] Tokyo, March 13 KYODO—Prime Minister Tomiichi Murayama and his cabinet ministers Monday [13 March] reaffirmed the need to thrash out a full-scale deregulatory program by the end of March to win domestic and international praise.

"It is necessary to make substantial the five-year program to promote deregulation to be drawn up at the end of this month so we can win sufficient praise at home and abroad," the premier said at a special cabinet meeting on deregulation.

Portraying decontrol as a pressing policy task, he also urged his ministers to take the lead in coming up with specific deregulatory measures by the end of March.

Murayama convened Monday's ministerial meeting to discuss the midterm report on deregulation, crafted Friday, and draw up a substantial five-year deregulatory program by the end of March.

On Friday, government ministries and agencies spelled out their respective deregulatory steps in the face of calls from the United States and European nations for transparency in the process of drawing up a five-year decontrol program.

The plan is intended to fulfill Japan's international pledges to revamp the nation's economy through relaxation of administrative rules and regulations, thereby helping ensure foreign businesses greater access to Japanese markets.

Chief Cabinet Secretary Kozo Igarashi told reporters earlier Monday the government intends to produce a final report by taking into full account requests both at home and abroad.

At Monday's meeting, Foreign Minister and Deputy Prime Minister Yohei Kono demanded that items whose immediate decontrol plans were not shown in the report be made clear, Deputy Chief Cabinet Secretary Hiroyuki Sonoda said at a news conference.

To seek international understanding of Tokyo's deregulatory travails, the government gave a day of briefings to domestic and foreign organizations concerned on the 1,000-plus items of the interim report.

Kono told the cabinet meeting that the government should deal squarely with requests or demands from such groups before drawing up a five-year deregulatory program, according to Sonoda.

Following the outcome of Monday's ministerial gathering and briefings, Sonoda said, the government will shortly show a list of specific instructions on further deregulatory efforts to each government ministry and agency.

After the cabinet meeting, leaders of the government and the ruling parties met to discuss how to coordinate the views of both sides toward the March 31 deadline.

They agreed on the need to continue efforts to draw up a substantial five-year plan by the end of the month, Sonoda said, adding the government and coalition chiefs will meet just before the compilation of a final report.

Asked about the content of the interim report, Sonoda said, "All the cabinet ministers must believe that they have done their best but are also aware of the need for their further efforts."

Igarashi on Tokyo's Efforts

OW1303045995 Tokyo KYODO in English 0406 GMT 13 Mar 95

[FBIS Transcribed Text] Tokyo, March 13 KYODO—Prime Minister Tomiichi Murayama and his cabinet ministers will huddle Monday [13 March] night to flesh out an interim report on deregulation released Friday as a prelude to drawing up a five-year deregulatory program by the end of March.

"I understand each government ministry and agency has seriously dealt during a short period [as received]," Chief Cabinet Secretary Kozo Igarashi said at a news conference, expressing satisfaction with the midterm report.

"We will discuss the matter further at the ministerial meeting and strive all together to nail down a five-year program by the end of this month," the top government spokesman said.

Igarashi also noted the government will take into full account the ruling coalition parties' deregulatory proposals to be offered this week.

On Friday, government ministries and agencies spelled out their respective deregulation steps in response to calls from the United States and Europe for transparency in the process of finalizing the five-year deregulatory plan.

The government started briefing domestic and foreign business organizations on the midterm report Monday morning.

The report is expected to draw criticism from various groups as there were very few fresh items listed in the 1,000-plus measures.

The five-year plan is designed to fulfill Japan's pledge to restructure the nation's economy through relaxation of regulations and ensure foreign businesses greater access to Japanese markets, thereby helping reduce the country's huge trade surplus.

Foreign Embassies Briefed

OW1303045395 Tokyo KYODO in English 0355 GMT 13 Mar 95

[FBIS Transcribed Text] Tokyo, March 13 KYODO—Japan began explaining to domestic and foreign business groups and foreign embassies on Monday [13 March] a new report on the government's unfolding plans for deregulation.

They began a day of briefings at the Foreign Ministry from 11 ministries and agencies on the 1,000-plus items of the midterm report, drafted Friday, for the nation's five-year deregulation plan to be issued this month.

A Management and Coordination Agency official told the audience that the final report will be "based on the opinions" of concerned domestic and foreign parties.

The National Police Agency kicked off the briefings at 10:30 A.M., but grumblings about the report were heard from foreign embassies.

Among those attending the briefings are representatives from the United States, the European Union, Canada, South Korea, as well as the American Chamber of Commerce in Japan and such Japanese groups as the Federation of Economic Organizations (Keidanren).

Keidanren has already criticized the report as offering little response to calls for easing the nation's regulatory burden.

The Japan Federation of Employers Associations urged prompt deregulation in response to the report, while Kosaku Inaba, head of the Japan Chamber of Commerce and Industry, welcomed the report as incorporating smaller businesses' views.

Briefers include the Ministry of International Trade and Industry, the Finance Ministry, the Fair Trade Commission, the Transport Ministry and the Construction Ministry.

Tight Telecommunications Industry's Rules Noted

OW1203124495 Tokyo NIHON KEIZAI SHIMBUN in Japanese 8 Mar 95 Morning Edition p 12

[First in the series "The Telecommunications Industry Is in Danger—A Barrier of 'Industrial Laws'" written by the telecommunications issue survey team; this installment entitled: "The Entry of New Companies Is Not Easy—Priority Is Given to Protecting Existing Companies"]

[FBIS Translated Text] The problem with the telecommunications market, a field with growth potential, is that there are many regulations. In addition to the Telecommunications Business Law, which is considered to be the "constitution," there are many laws controlling the telecommunications industry. These include the Radio Law, the Broadcast Act, and the law concerning Nippon Telegraph and Telephone Co. (NTT). Moreover, invisible regulations exist. Because the telecommunications industry provides a public service, it is difficult to completely liberalize it. However, laws and regulations constitute a major stumbling block to the industry's business development. We surveyed several "industrial laws" which hinder the growth of the industry.

He Reluctantly Admitted "Regulations Do Exist"

Koji Hamada, chief of the Ministry of Posts and Telecommunications' [MOPT] Telecommunications Business Department, was fluently describing the telecommunications business at a hearing on deregulation opened by the ruling coalition's deregulation project team on 2 March. However, for a moment Hamada was stuck for a word immediately after he reluctantly admitted that "regulations do exist." He made the remarks when House of Representatives member Kiyoshi Mizuno, who represents the Liberal Democratic Party in the project team, questioned whether there are entry regulations [of new companies into the business].

Hamada has been in charge of deregulation issues at the MOPT since when he served as chief of the General Coordination Division. In response to strident calls for deregulation, he has repeatedly maintained the MOPT's views. He often used the method of bewildering persons at the start of discussions. By citing the Telecommunications Business Law, which serves as an administrative basis, he would say: "There are no regulations concerning the entry of new companies—regulations adjust supply and demand." On that day, after a brief silence, he averted additional questions by adding that "as in the United States, there is a license system."

"Why can't we do this?" a U.S. CBS reporter expressed asked when he tried to send an on-the-spot report on the unprecedented damages in the [17 January] great Hanshin earthquake directly to the United States via satellite. It turned out that it is much more difficult to deal with Japanese regulations than he expected. What is needed in the United States to send a satellite report is just a radio license. After getting the license, one can engage in satellite telecommunications at a low cost. However, in Japan, to enter the telecommunications business, it is necessary to get a radio license, business permission, and government approval of charges. In Japan, it is not easy to violate the rights and interests of "gyosha" [companies which provide public telecommunications].

If companies are allowed to freely engage in international satellite telecommunications, this will have a great impact on the management of existing providers. Commercial broadcast stations, which are users of international satellite telecommunications, express dissatisfaction with the current situation. They say: "The consignment fee one needs to pay to Kokusan Denshin Denwa Co. (KDD) is too expensive." However, regulations on the entry of new companies have given priority to protecting existing ones. The MOPT has avoided concrete discussions due to legal restrictions. This contrasts with the situation in the United States, where special rules have been created to promote competition and to give favorable treatment to newcomers in the business.

Industry "Memorandum" Promises No-Entry Into Other Spheres

When new providers—those who entered the business during the telecommunications liberalization ten years ago—try to enter into another field, they are faced with more incomprehensive entry regulations. The MOPT maintains: "Separation of business categories such as long-distance telephone service, local telephone service, and overseas service has occurred because the amount of investment in such businesses is enormous. There are no other regulations than special acts concerning NTT and KDD." However, this is merely the official stance. What symbolizes the situation is a "memorandum presentation" case involving local telephone companies, including Tokyo Telecommunications Network (TTNet), which are supported by electric power companies. They have reportedly submitted to the MOPT a memorandum in which they promise not to connect lines with providers in other regions.

Although the local telephone companies' business sphere is limited, they can provide nationwide services if they connect their lines with one another. This would be welcomed by customers. It is strange that everyone in the industry talks ambiguously about the issue.

A former MOPT official who was in charge of licensing the entry of telephone companies in the late 1980's revealed: "Before we permitted them to enter the telecommunications business, we asked them to submit a letter to the effect that they would not connect lines with other regions in view of the impact on existing providers." This is the so-called "nensho" [memorandum]. In response, a current MOPT official explained: "I think those telephone companies only stated that their business plans did not include [interconnection]." TTNet and other companies responded: "We do not know about the memorandum."

New telecommunications companies known as Shindenden [new providers], which provide long-distance phone service, strongly reacted: "If local phone companies promote interconnection of their lines, this will lead them to enter the long-distance phone service business. It is hard for us to approve of this situation." The prospects for the telecommunications business were less clear ten years ago. Some say that what is behind the MOPT's adherence to the current situation, in which only three companies are allowed to engage in long-distance phone service, is consideration for the forerunners who entered the long-distance phone business originally, in response to the MOPT's intentions.

In some aspects, it is difficult to completely deny regulations on the entry of companies. Various "special rights for public utilities" have been granted to class-1 providers which possess their own telecommunications facilities. For example, they are allowed to own private land to lay telegraph poles and also allowed to occupy roads to lay optical fiber network underground. If other companies are allowed to enter the business, it becomes difficult to judge who should be granted public service privileges and who should not. It is possible that the law for new public service organizations may be reassessed.

No Changes Planned in the Telecommunications Law

When a reporter pointed out at a 7 March news conference that there is no centerpiece in the MOPT's deregulation plan, Posts and Telecommunications Minister Shun Oide threw out his chest, citing the OECF's Telecommunications White Paper: "Japan has obtained 15 points out of a possible 16. Japan is the most advanced nation in the world in the deregulation area." There are no plans to include further review of regulations on business entry in the deregulation program to be presented 10 March.

Ten years have passed since the telecommunications liberalization. The MOPT has no intention of initiating changes in the telecommunications law.

Government's Deregulation Report Denounced

OW1203134195 Tokyo NIHON KEIZAI SHIMBUN in Japanese 11 Mar 95 Morning Edition p 2

[Editorial: "Deregulation Is an Urgent Task"]

[FBIS Translated Text] The government unveiled an interim report of its five-year deregulation program, which is supposed to be finalized by the end of March. But industrial circles say the "five-year" action plan is insufficient to cope with the ongoing appreciation of the yen.

The report was hammered out as a compilation of reports submitted by individual ministries and agencies, and the longest ones have more than 300 pages. While the report looks great in quantity, we have to say its quality is quite poor. Needless to say, deregulation policies are aimed at encouraging domestic demands to restructure the Japanese economy and narrowing down price gaps between the domestic and foreign markets, which are expanding due to the yen rate hike. Yet, the report gives almost no answers to the industrial circles' demands for drastic reform measures. For example, the business sector strongly demands relaxation of class-1 telecommunications licenses to reinforce Japan's infrastructure for promotion of venture industries; however, the report from the Posts and Telecommunications Ministry flatly says the relaxation is "difficult" because of possibilities of overinvestment. Removal of farm subsidies were also rejected, although the domestic-foreign price gap is widest in the farm industry. It is clear that these government decisions were made to appease certain interests.

Taking into account the potential needs in the domestic market, the introduction of inexpensive housing using imported materials can serve to reduce the trade surplus. In addition, Hyogo Prefecture and Kobe City are seeking inexpensive materials to reconstruct the quake-damaged area. Nevertheless, the government report says the revision of the Japan Agricultural Standards (JAS), which regulate imported timber, "should be discussed in line with the preparation of international standards."

As usual, the report is full of bureaucratic language, such as "in a middle-range span" and "review." At a cabinet meeting at the end of last year, the government decided to upgrade a 279-point deregulation package prepared by the administration of Former Prime Minister Morihiro Hosokawa. While the government promised that the deregulation measures would be priority status and given clearer definitions, the 10 March report apparently violates this official pledge.

The government must recognize that the ongoing yen rate hike is a sign of the market blaming Japan's indifferent attitude toward economic restructuring. While deregulation is generally considered a tool for expanding the domestic market in the long-run, a government decision to implement serious deregulation measures at this moment would certainly be welcomed by the foreign exchange market.

Some observers say the government is probably hiding the "eye-catchers" for the final report due at the end of March. However, Japan's step-by-step responses have obviously damaged its reputation in the international community.

In its fall 1994 report, the government's advisory Price Stabilization Policy Board said that prices in Japan are 57 percent higher than those in the United States when one dollar is worth 99 yen. If the dollar is fixed at 90 yen, the price gap would automatically broaden to 72 percent. In that case, both consumers and businesses would depend more and more on less expensive imported goods. Furthermore, the lack of economic restructuring policies will weaken Japan's competitiveness. Thus, deregulation is no longer a long- or mid-term objective, but an immediate necessity. If the ultimate objective of deregulation is defined as revitalization of the Japanese economy through competition in flexible markets, the interim report is not enough even as a starting point to reach that objective.

NEC To Join French Information Highway Plan

OW1103062695 Tokyo NIHON KEIZAI SHIMBUN in Japanese 10 Mar 95 Morning Edition p 13

[FBIS Translated Text] NEC Corporation will participate in the French Government's plan to create a next-generation communications network called the "information highway." It will develop an electronic telephone book based on multimedia technology in cooperation with two French companies—Bull S.A., a major computer firm, and the state-run France Telecom. This is the first time a Japanese firm will join a European information highway project. NEC is to use this chance to explore the multimedia market in Europe.

The French Government has drawn up 49 large-scale test projects in preparation for the construction of the information highway. One of them is the development of a new electronic telephone book. NEC and the two French firms recently presented their joint plan to develop the electronic book based on multimedia technology to the French Ministry of Industry. The plan was accepted.

The existing electronic telephone book is based on textual data. NEC will provide the hardware and software that will allow the addition of audio-visual data. France Telecom will provide the optical fiber cables that will be connected to the system that Bull will develop.

In cooperation with French information service industries, such as publishing companies, they are to provide sufficient data through the electronic book. For example, users will be able to obtain telephone numbers of the companies listed in the electronic telephone book as well as video data on their products. They also plan to put hi-definition video advertisements in the book. In the future, users will be able to order goods through the book.

The French Government plans to invest about 300 million yen in the two-year test projects and begin to operate the network on a commercial basis in 1997.

NEC has also made joint bids with Bull for several other projects. Thus, it is possible the company will participate in other test projects as well.

An NEC subsidiary in the United States has joined a U.S. industrial group for the construction of an information highway. As such, NEC intends to actively participate in information highway projects in Europe and the United States.

Foreign Share of Chip Market Hits Record High

OW1203184895 Tokyo NIHON KEIZAI SHIMBUN in Japanese 10 Mar 95 Morning Edition p 10

[FBIS Translated Text] The Ministry of International Trade and Industry [MITI] announced on 10 March that the foreign share of the Japanese semiconductor market during the October-December period in 1994 was 24.7 percent according to Japanese calculations and 23.7 percent by U.S. calculations. The figures are the largest ever since MITI first announced the foreign share of the semiconductor market for the July-September period in 1991. The share has exceeded the 20-percent target, which the United States considers the Japanese Government's pledge, for the fifth consecutive quarter.

The foreign share is gradually increasing. It is calculated by totaling the sales of foreign-made chips in Japan. The Japanese formula includes semiconductors produced in Japan by foreign chip makers and used for their products. The U.S. formula excludes them. Under the Japanese formula, the foreign share during the October-December period increased 1.3 percent from the previous quarter, and under the U.S. formula it was an increase of 0.5-percent. MITI's Machinery and Information Industries Bureau said: "A rapid decrease in the foreign share is unthinkable. The problem of trade friction seems to be passing into history."

Egypt's Mubarak Arrives in Tokyo for Visit

Agenda Reviewed

OW1303041895 Tokyo KYODO in English 0332 GMT 13 Mar 95

[FBIS Transcribed Text] Tokyo, March 13 KYODO—Egyptian President Husni Mubarak arrived in Japan on Monday [13 March] for a four-day visit focused on talks with Prime Minister Tomiichi Murayama and other Japanese leaders.

On Tuesday, Mubarak and his wife Suzanne will meet Emperor Akihito and Empress Michiko, and later the president will attend a luncheon sponsored by Japan's economic organizations.

Mubarak will hold talks Wednesday with Murayama and with former Premiers Ttutomu Hata and Toshiki Kaifu. He will also meet the heads of both chambers of the Diet.

Mubarak and Murayama are likely to discuss the Middle East peace process and ways to boost Japan-Egypt ties, Japanese Foreign Ministry officials said.

Murayama is expected to give high marks to Egypt's role as a mediator in the Middle East peace process and to express Japan's continued support for the peace process, they said.

On the bilateral front, Japan is unlikely to make a specific financial pledge in reply to Egypt's request for economic help in building a bridge over the Suez Canal, the officials said.

Tokyo will probably tell the Egyptian side it plans to send a survey mission to Egypt to study the details of the project, they said.

Japan has a policy of not extending new loans to a country which has been allowed to cancel part of official foreign debt. The Paris Club of creditor nations agreed in 1991 to forgive half of Egypt's official foreign debt.

Foreign Ministry sources have said the government is considering granting about 10 billion yen for the project, instead of making loans.

On other issues, Murayama is expected to call on Egypt to support an indefinite extension of the nuclear Nonproliferation Treaty [NPT], which comes up for renewal talks in April, the officials said.

Egyptian Foreign Minister 'Amr Musa, during his visit to Japan last month, indicated that Egypt cannot support an indefinite or long-term extension of the treaty unless Israel joins the pact.

But Mubarak said in an interview with KYODO NEWS SERVICE ahead of his departure that Egypt will not withdraw from the treaty.

KYODO Previews Visit

OW1203024595 Tokyo KYODO in English 0225 GMT 12 Mar 95

["News Focus" by Miu Oikawa: "Japan Hopes Mubarak's Visit Will Boost Bilateral Ties"]

[FBIS Transcribed Text] Tokyo, March 12 KYODO—Japan hopes the upcoming visit by Egyptian President Husni Mubarak from Monday [13 March] to Thursday will help further strengthen bilateral ties, but the trip may fall short of producing any tangible results.

"Egypt plays a pivotal role in securing peace in the Middle East," said a Foreign Ministry official. "For Japan, maintaining close ties with Egypt is the pillar of its diplomacy in the region."

Particularly with Japan stepping up diplomatic efforts to strengthen political ties with middle east countries in recent years, Tokyo is placing great importance on the success of Mubarak's Japan trip, which was postponed from last year due to political turmoil here.

Mubarak is the second top leader to visit Japan from the region, following Israeli Prime Minister Yitzhaq Rabin last December.

In talks between Mubarak and Prime Minister Tomiichi Murayama on Wednesday, the two leaders are expected to discuss the Middle East peace process and ways to boost their bilateral ties, which are traditionally good, according to ministry officials.

Murayama will give high marks to Egypt's role as a key mediator in the Middle East peace process and express Japan's continued support for the promotion of the peace process, they said.

Reconfirming cooperative relations between Japan and Egypt is important in promoting the Middle East peace process, especially at a time when the process faces such difficulties as the issue of Palestinian autonomy and the stalemate in the Syria-Israel talks, the officials said.

But highlights of the talks are likely to revolve around two issues—the nuclear Nonproliferation Treaty (NPT), which comes up for renewal in April, and possible financial aid from Japan to help Egypt build a bridge across the Suez Canal.

Japan and Egypt are likely to lock horns over the indefinite extension of the NPT, with Japan making a last-ditch effort to win Egypt's support for the extension and Cairo opposing the move.

The 172-member treaty commits signatory nations to refrain from building nuclear arms, with the exception of the five recognized nuclear powers—the United States, Russia, Britain, France and China.

Talks to review the treaty are to begin in New York on April 17.

"We will reiterate the Japanese position on the treaty and seek Egypt's understanding," said a ministry official.

When Foreign Minister Yohei Kono pressed his Egyptian counterpart, 'Amr Musa, during his visit to Japan last month to support the indefinite extension, Musa indicated that his country cannot support the indefinite or long-term extension of the treaty unless Israel, a nonsignatory which Arab countries suspect of having a nuclear arsenal, joins the pact.

"It is meaningful to raise the issue again during Mubarak's visit, because some time has elapsed since Musa's visit," said a ministry official.

But Cairo has not changed its stance in subsequent talks with the U.S.

Japan may also be unable to give a clear-cut commitment to Egypt's strong requests for Japan to help it build the bridge across the Suez Canal to cope with an expected increase in traffic as a result of the Middle East peace process.

Egypt wants only Japan to take part in the project since Japan has not been involved in the region historically through colonization, according to ministry officials.

A senior ministry official said since the project is "symbolic" of peace in the region, Japan would like to cooperate but cited difficulties regarding its policy of not extending new loans to a country whose official foreign debts have been canceled.

Instead of making a specific pledge of aid, Tokyo will probably tell the Egyptian side it plans to send a survey mission to Egypt to further study the details of the project, the official said.

The Paris Club of creditor nations agreed in 1991 to forgive half of the official foreign debt owed by Cairo.

Informed sources have said the Japanese Government is considering granting about 10 billion yen, instead of loans, for the project.

Mubarak will be accompanied by a delegation of 100 officials, including four cabinet ministers—Foreign Minister Musa, Minister of Information Safwat al-Sharif, Minister for International Cooperation Yusuf Butrus-Ghali, and 'Atif 'Ubayd, minister of enterprise and of administrative development and environmental affairs.

During his four-day stay in Japan, the Egyptian president will meet two former prime ministers, Ttutomu Hata and Toshiki Kaifu, the speaker and president of both houses of the Diet and Minister of International Trade and Industry Ryutaro Hashimoto.

He may also meet Foreign Minister Kono and Finance Minister Masayoshi Takemura.

Mubarak and his wife Suzanne will also meet Emperor Akihito and Empress Michiko during their stay.

Murayama's Activities in Copenhagen Reported

Meets With ROK's Kim

OW1103142895 Tokyo KYODO in English 1354 GMT 11 Mar 95

[FBIS Transcribed Text] Copenhagen, March 11 KYODO—Japanese Prime Minister Tomiichi Murayama and South Korean President Kim Yong-sam agreed Saturday [11 March] to seek cooperation among the two countries and the United States in managing an international consortium to fund the construction of light-water nuclear reactors in North Korea, Japanese officials said.

The three countries inaugurated the Korean Peninsula Energy Development Organization (KEDO) on Thursday in New York. The organization plans to build two light-water nuclear reactors in North Korea as part of the nuclear deal between Washington and Pyongyang last October.

Under the accord, Pyongyang pledged to freeze and eventually dismantle its nuclear program in return for the provision of modern reactors and alternative energy supplies.

During a 30-minute talk, the South Korean president referred to the planned dispatch of a mission to North Korea from Japan's ruling coalition to seek a resumption of deadlocked normalization talks, the officials said.

Murayama was quoted as telling Kim that his country will make close contact with South Korea on the matter.

As for Japan's proposed antiwar Diet resolution to mark the 50th anniversary of the end of World War II, Kim reportedly said he wants bilateral relations to be "future-oriented."

Both Murayama and Kim were visiting Denmark to attend the UN World Summit for Social Development, which is aimed at finding ways to combat global poverty.

Meets Danish Prime Minister

OW1103144495 Tokyo KYODO in English 1402 GMT 11 Mar 95

[FBIS Transcribed Text] Copenhagen, March 11 KYODO—Danish Prime Minister Poul Rasmussen extended an invitation for Japanese Emperor Akihito and Empress Michiko to visit Denmark during a meeting Saturday [11 March] with Japanese Prime Minister Tomiichi Murayama.

Rasmussen conveyed to Murayama a message from Queen Margrethe II calling for an official visit by the Japanese imperial couple.

Murayama, who is visiting Copenhagen to attend a U.N.-sponsored summit on social development, expressed gratitude and told Rasmussen the Japanese Government will consider the invitation, Japanese Government officials said.

Murayama also expressed gratitude toward the queen and Rasmussen for their sympathy toward those who suffered the devastation of the Jan. 17 great Hanshin earthquake in western Japan, the officials said.

Rasmussen was quoted by the Japanese officials as replying that he is praying for improvements in the lives of those suffering from the quake.

Returns to Tokyo

OW1203050095 Tokyo KYODO in English 0453 GMT 12 Mar 95

[FBIS Transcribed Text] Tokyo, March 12 KYODO—Japanese Prime Minister Tomiichi Murayama returned to Tokyo from copenhagen Sunday [12 March] afternoon after attending the U.N.-sponsored world summit for social development.

In a speech to summit delegates on Saturday, Murayama proposed hosting an Asian regional conference on disaster prevention in the wake of the Jan. 17 great Hanshin earthquake.

He also held a series of separate meetings with Chinese Premier Li Peng, South Korean President Kim Yong-sam and Danish Prime Minister Poul Rasmussen.

Italy on Tokyo's Bid for Permanent UN Seat

OW1103081595 Tokyo KYODO in English 0709 GMT 11 Mar 95

[FBIS Transcribed Text] New York, March 11 KYODO—Japan should be allowed a seat on an expanded United Nations Security Council more frequently without becoming a permanent member, Italy's ambassador to the world body, Francesco Paolo Fulci, says.

Fulci said in a recent interview with KYODO NEWS SERVICE that under an Italian proposal, the 15-member council would have its membership increased in line with the gain in overall UN membership to 185 from 113 in 1965 when the last reform of the council was made.

Fulci said this would not involve increasing the current permanent membership of five—China, Britain, France, Russia and the United States.

"There are some who say that the Italian proposal would introduce a new category of membership," the ambassador said. "On the contrary, we simply want to increase the number of nonpermanent seats from 10 to 20."

Japan is one of a number of countries seeking permanent membership on the council.

But Fulci said Italy considers that an increase in the number of rich, northern hemisphere, permanent members on the council which have veto power and would never have to face reelection would be a "regression."

"In our opinion, a country like Japan—with its immense human, economic and technological resources—deserves to sit in the council with greater frequency and regularity, and this would happen if our proposal were accepted," Fulci said.

He said the Italian proposal would result in countries like Japan which are willing to provide financial support and troops to UN peacekeeping operations to rotate as council members more frequently than other countries.

Approval by two-thirds of the members of the General Assembly is necessary for any amendment to the UN Charter concerned with reforming the council.

Although the scope and nature of an expanded Security Council is the subject of ongoing debate by a UN working group, the UN membership has not yet reached a conclusion on the issue.

Fulci said that among the 185 UN members, so far "about 40 countries—large, medium and small—have made precise reference" to the Italian proposal in debate on the issue.

"To be specific, a growing consensus could come from small to mid-size states, who more than others would benefit from our proposal, which would remove from their path to the Security Council the often unfair competition of the larger countries, who regularly elbow them out," Fulci said.

Fulci is a career diplomat who joined the Italian foreign service in 1956.

UN Recommends Removing Charter's 'Enemy Clause'

OW1103050895 Tokyo KYODO in English 0456 GMT 11 Mar 95

[FBIS Transcribed Text] New York, March 10 KYODO—A United Nations committee on Friday unanimously adopted a recommendation to the General Assembly to remove the "enemy clause" from the UN Charter.

The special committee on the charter of the United Nations and on the strengthening of the role of the organization recommended that the 50th General Assembly session, which starts this fall, adopt a resolution to begin the removal procedure "at its earliest appropriate future session," on the grounds that the enemy clause is outdated. In Tokyo, a Foreign Ministry official said the Japanese Government welcomes the panel's recommendation.

The clause, appearing in Article 53, Article 77 and Article 107, does not identify any country but Article 53 says the term enemy state "applies to any state which during the Second World War has been an enemy of any signatory of the present charter." The enemy states in the articles normally refer to Japan, Germany, Italy, Hungary, Romania, Bulgaria and Finland. A resolution recommended to the general assembly says the enemy clause has "become obsolete" and is directed at UN member states which "represent a valuable asset in all the endeavors of the organization."

The General Assembly is expected to adopt the resolution, but because the removal of the clause is linked to the restructuring of the Security Council, an issue still under debate within the UN, its actual deletion is likely to take several years, observers said. Ever since Japan joined the UN In 1956, it has sought to have the clause dropped from the charter. The latest move is the first formal attempt to eliminate the clause since the formation of the UN in 1945. The move lends support to the Japanese Government's attempts to have the country take a permanent seat on the UN Security Council and assume a more prominent political profile within the world body.

Polish diplomatic sources who helped draft the recommendation said there are some countries that have a psychological resistance to the deletion of the enemy clause. North Korea has expressed opposition to the removal, saying Japan is still an enemy because it has yet to fulfill its duties in redressing its war crimes. But North Korea could not vote against the recommendation because it is not a member of the special committee.

Nishimoto on Defense, Spratly Islands Issues

OW1103014095 Tokyo SANKEI SHIMBUN in Japanese 9 Mar 95 Morning Edition p 2

[FBIS Translated Text] Tetsuya Nishimoto, chairman of the Joint Staff of the Self-Defense Forces [SDF], made official visits to China and South Korea in late February to meet with Zhang Wannian, chief of the General Staff of the People's Liberation Army and Kim Tong-chin, chairman of the Joint Chiefs of Staff of the South Korean Armed Forces. In an interview with SANKEI SHIMBUN reporter Satoshi Sakakibara on 8 March, Nishimoto noted the significance of defense exchanges between Japan and its two Asian neighbors, and expressed hopes for a peaceful settlement of the dispute over the Spratly Islands.

[Sakakibara] What is the significance of Japan's defense exchanges with China and South Korea?

[Nishimoto] Deepening mutual understanding between the SDF, and the armed forces of China and South Korea through defense exchanges will contribute to creating a peaceful and stable international climate. Both China and South Korea were eager to vigorously promote military exchanges with Japan.

[Sakakibara] You visited the two countries in a year that marks the 50th anniversary of the end of World War II. Why did you visit in this historical year?

[Nishimoto] I wanted to contribute to our nation's efforts to build new relations with our Asian neighbors in the 21st century by increasing their trust in us. The Chinese officials I met said: "Japan should not forget to search its soul over past history." But South Korean officials did not make any specific comments on "the past."

[Sakakibara] With which other nations are you going to promote defense exchanges in the future?

[Nishimoto] I am going to promote defense exchanges with Southeast Asian nations. It is also important to promote defense exchanges with Russia, a military superpower north of Japan, but the issue of the Northern Territories stands in the way of doing so. I intend to promote exchanges with Russia step-by-step in concert with our diplomacy. I hope the promotion of exchanges between Japan and Russia will serve to settle the territorial dispute.

[Sakakibara] Concerns are being voiced over China's military buildup. What is your comment?

[Nishimoto] China's biggest goal is to construct the economy. The country needs to create a peaceful and stable international climate. At the present stage, it is correct to hold the view that China is modernizing its military; Japan should watch how China does so with great caution. How China modernizes its military is of great concern to its Asian neighbors and I believe it needs to disclose details of its armament and defense budget.

[Sakakibara] What do you think about the disputed Spratly Islands?

[Nishimoto] I do not see the dispute over the island chain erupting abruptly, but I do not rule out the possibility of an accidental clash. The dispute over the Spratly Islands could affect our nation's sea lanes and I hope for a peaceful settlement of the dispute.

[Sakakibara] What about North Korea's military moves? Should Japan introduce the Theater Missile Defense (TMD) system?

[Nishimot] Japan should continue to persuade North Korea to implement the U.S.-North Korea agreement and cut back on its massive conventional forces. Whether or not Japan should introduce the TMD is a matter for politicians to decide. For now, Japan has no means to defend itself from ballistic missiles. There are questions about Japan's total incapability to cope with ballistic missiles.

[Sakakibara] What do you think about the "Report on Strategy For East Asia and the Pacific" released by the U.S. Defense Department?

[Nishimoto] The report says Japan-U.S. security arrangements are the bedrock of stability in the Asia-Pacific region, and the presence of U.S. Forces is necessary. I would like to applaud those points.

[Sakakibara] Will SDF units be dispatched to the Golan Heights?

[Nishimoto] The question is whether the SDF does or does not want to send its units there. The SDF will dispatch units in compliance with any political decision.

[Sakakibara] The SDF's participation in UN peacekeeping forces (PKF) remains frozen. Do you think it should be unfrozen?

[Nishimoto] Personally speaking, I do not think lifting the freeze on participation in the PKF would immediately and directly lead to the dispatch of infantry (regular) troops. Japan can display its ability in such technological areas as communications, construction, supply, equipment maintenance, and transportation.

MITI To Assist Businesses in APEC Nations

OW0903010295 Tokyo NIHON KEIZAI SHIMBUN in Japanese 8 Mar 95 Morning Edition p 5

[FBIS Translated Text] The Ministry of International Trade and Industry [MITI] will begin providing assistance to small- and medium-sized businesses of the Asian-Pacific Economic Cooperation (APEC) forum's developing countries. The ministry will start this year a program of training personnel from the countries as well as a program of inviting small- and medium-sized business managers for an orientation from them. It will also send specialists overseas to provide guidance.

In Asian countries, industrialization is now speeding up thanks to increasing investments from other countries, and the development of peripheral industries to produce parts and components is emerging as an urgent task. Since a conference of APEC nations' ministers in charge of small-sized industries was held in Osaka last year, Japan has decided to take lead in providing assistance concerning this area.

Training of personnel will be conducted primarily by the Association for Overseas Technical Scholarship and the Small Business National Corporation, which are organizations under MITI's umbrella, and 100 students will be trained in two years from 1995. The trainees will learn about Japan's industrial promotion policies and will be taken on tours of small- and medium-sized businesses and research facilities in Osaka.

Officials of the countries' local chambers of commerce and businessmen of medium-sized enterprises are the targets of the program to invite small- and medium-sized industry managers for orientation. The Japan External Trade Organization (JETRO) will be put in charge of this orientation program, and will host seminars and business meetings, thus providing opportunities for the participants to have exchanges with Japanese businessmen who are in businesses related to theirs.

Meanwhile, the program for dispatching Japanese specialists overseas in fact consists of having JETRO's specialists stationed in Dalian of China on a long-term basis.

'Basic Policy' Compiled for Security Talks

OW1303131195 Tokyo ASAHI SHIMBUN in Japanese 13 Mar 95 Morning Edition p 1

[FBIS Translated Text] The Defense Agency [DA] has compiled a "basic policy" to promote security talks and exchange with countries in the Asia-Pacific region. The policy clarifies for the first time the meaning and objectives of security dialogue and exchange. It notes that the government should maintain Japan-U.S. security arrangements as the axis of its security program and calls for reducing "unstable factors" in the region by promoting dialogue. Although a new security framework has not been created in the Asia- Pacific region following the end of the Cold War, the DA expects that countries in the region will be able to build a system of multilateral security cooperation through security talks and exchange. The policy is expected to be reflected in the "National Defense Program Guidelines," which is currently under review by the DA.

The importance of multilateral security cooperation has been discussed in a report issued last August by the Defense Policy Council and in the "Security Strategy for the East Asia-Pacific Region" released last month by the U.S. Defense Department. The DA has promoted separate defense talks and exchange with China, Russia, and South Korea, but without a basic idea or policy.

Thinking that "the current defense program aimed at defending the nation from threats in the Cold War era needs to be changed now that the Cold War has ended," the agency worked out the basic policy, (according to a senior official). Based on the same thinking, the United

States has also been reviewing its security strategy for the East Asia region, primarily toward China and Russia. Joint Staff Council Chairman Tetsuya Nishimoto said: "Defense efforts are never inconsistent with security dialogue. Defensive power may be reduced somewhat as defense dialogue progresses. Nevertheless, security talks are also an important part of defense efforts."

The basic policy characterizes security talks as an "important step for improving the security environment in the region." It also stresses that "security talks are important as a means to make known Japan's views in the process of creating a new security framework in the Asia-Pacific region." Because it is possible that the Association of Southeast Asian Nations' (ASEAN) regional forum will play an important role in creating a new security framework, the policy calls for active participation in the forum's meetings.

As a specific measure to promote security dialogue and exchange, the basic policy proposes mutual visits by ministers, vice ministers, joint chiefs of staff, top officials, and working-level officials, as well as the exchange of defense instructors and students. It also proposes mutual visits of warships and airplanes, the exchange of military exercise observers, and joint exercises for UN-led peacekeeping operations (PKO) and humanitarian aid missions. Moreover, it calls for increasing the transparency of the defense policy and budget and concluding an agreement with other countries on the prevention of marine and air accidents.

However, the policy stresses that Japan's security program should be based on security arrangements with the United States and regards multilateral security cooperation with other countries as a complement to the Japan-U.S. security system. It says that Japan should strengthen security contacts with the United States. Meanwhile, it calls for prudence in promoting security talks with Russia, suggesting linking such bilateral issues as the northern territorial dispute with security cooperation. In the basic policy, the DA has not specified the countries creating "unstable factors."

Tokyo Undecided on World War II Ceremonies

OW1303130295 Tokyo YOMIURI SHIMBUN in Japanese 12 Mar 95 Morning Edition p 2

[FBIS Translated Text] In marking the 50th anniversary of the end of World War II, numerous ceremonies will be held in various places such as Iwo Jima, Okinawa, and Hawaii, where fierce battles were once fought. However, the government is now puzzled over the questions as to how to deal with invitations and who should be sent to attend these ceremonies. The focal point at issue now concerns which government officials should be sent to attend the "ceremony marking the 50th anniversary of the end of World War II," to be held in Hawaii in September under U.S. Government sponsorship. It was originally planned that either a cabinet member or an official at the parliamentary vice-ministerial level will be sent. However, it may take some time before these problems can be settled, since government officials have expressed differing views and it is necessary to take into account the balance with other countries.

First comes "the ceremony marking the end of the battle of Iwo Jima," jointly sponsored by the Japanese and U.S. governments and scheduled for 14 March. Originally, the Japanese Government was concerned over the possibility that it might become a sort of ceremony for the United States to celebrate its "victory."

The U.S. Government has finally decided to portray the ceremony as "intended for mourning the soldiers killed in action" and thereby to refrain from sending cabinet members. Then, the Japanese Government felt released and decided on sending the parliamentary vice-minister of the Defense Agency [DA] and the councillor of the North American Affairs Bureau under the Ministry of Foreign Affairs [MOFA].

Moreover, the ceremony in Hawaii will be held for three days beginning 1 September, with 2 September [1945] being the day when Japan signed an instrument of surrender. President Clinton is scheduled to attend this ceremony. According to the original plan, the U.S. Government intended to invite heads of states of various countries to the ceremony. However, the Japanese Government maintains that "the plan to send the prime minister to the ceremony and to jointly 'celebrate' with leaders of victorious countries is bound to meet with opposition at home," (as stated by a top MOFA official.) Therefore, it has requested that the U.S. Government reconsider its plan.

Subsequently, the U.S. Government decided to invite officials at ministerial level and sent out invitations to those in charge of national defense in various countries. Indicating his concerns, DA Director-General Tokuichiro Tamazawa stated that "he would be willing to attend." However, a strong opposition to his attendance has been noted within the government. It is argued that "his attendance is undesirable when the issue is viewed from the standpoint that the existence of the Self-Defense Forces should be separated from that of the former army."

In the end, it has been observed that selection is now under way, with Foreign Minister Yohei Kono, Parliamentary Vice Minister of Foreign Affairs Hakuo Yanagizawa, and Deputy Chief Cabinet Secretary Hiroyuki Sonoda as major candidates. However, concerning the plan for sending Foreign Minister Kono, it is questioned as to "whether it will be necessary to send the foreign minister, who concurrently serves as deputy prime minister," (as stated by a source in the Liberal Democratic Party).

Strong Yen Imposing Heavy Debt Burden on China

Tokyo 'Well Aware' of Burden

OW1103111195 Tokyo KYODO in English 1019 GMT 11 Mar 95

[FBIS Transcribed Text] Tokyo, March 11 KYODO—Foreign Ministry officials said Saturday [11 March] there is no immediate recipe for easing the debt burden created in China because of a stronger yen while expressing an understanding of Beijing's difficulties.

A senior official of the ministry's Economic Cooperation Bureau said Tokyo is "well aware" of the fact that the yen's rapid rise against the U.S. dollar has resulted in heavier burdens on China and other recipient countries of yen loans.

"But there's no immediate recipe for lessening repayment," the official said.

The ministry official was referring to reports from Beijing earlier in the day that Chinese foreign trade officials called on the Japanese Government to help alleviate the debt burden.

Japan has extended three batches of loans to China with a total value of 1.68 trillion yen, and a fourth two-year batch to begin in 1996 was agreed on last year for another 580 billion yen.

Liu Shanzai, vice minister of Foreign Trade and Economic Cooperation, pointed out at a news conference in Beijing that if the three batches of loans were calculated in dollar terms at the average exchange rate at the time committed, the loans would be worth 10 billion dollars, but using the exchange rate at the beginning of the year the loans were worth 16.8 billion dollars.

The Japanese Foreign Ministry makes it a basic policy not to accept the Chinese request because it is concerned Japan would face a host of similar requests from other recipient developing countries.

At the same time, senior ministry officials expressed apprehension about a possible reluctance by developing countries to receive yen loans due to the exchange risks involved.

Malaysia has already declared a policy of accepting no yen loans due in part to risks stemming from the yen's appreciation and partly as a result of its remarkable economic growth.

Diplomatic sources believe the yen-loan question will loom larger in Sino- Japanese relations for the years to come.

The Chinese Foreign Trade and Economic Cooperation Ministry's Research Institute of International Trade estimates the total value of repayment of yen loans by China has swollen several times from the initial value.

Japan's yen loans, initially furnished in 1979, are repayable over 30 years, including a 10-year grace period, at annual interest rates of about 3 percent.

According to the research institute, Chinese organizations which implement yen loan-funded projects receive funds in dollars from the central government and convert them into the Chinese yuan. They purchase dollars when they repay the yuan-based debts. The organizations need to buy more dollars in order to repay the debts if the yen climbs against the dollar.

The total value of the yuan-based repayment for port and harbor improvement projects in Hebei, Jiangsu and Shandong Provinces is estimated to have ballooned 10 times over the initial value.

Another headache on the Chinese side is that yen loan-financed projects are largely aimed at improving the nation's social infrastructure, making it hard for China to secure funds for repayment in a short period of time, the sources said.

The Chinese urged Japan to pay due heed to their high yen-induced plight when Japanese Finance Minister Masayoshi Takemura visited Beijing in January.

The diplomatic sources said China is expected to step up its call for Japan's help in allaying such difficulties.

No 'Special Treatment' Planned

OW1303094895 Tokyo NIHON KEIZAI SHIMBUN in Japanese 12 Mar 95 Morning Edition p 1

[FBIS Translated Text] China recently called on Japan to help lessen the burden of repaying yen loans. However, the Japanese Government has shown reluctance to comply with this demand. The Foreign Ministry said: "Emotionally we can understand their difficulties. But because yen loans are provided based on a budgetary plan, changes cannot be made easily." Japan makes it a rule not to change the amount of originally planned yen loans even if the appreciation of the yen against the dollar results in heavier burdens on recipient countries of yen loans, and even if it reduces the value of newly provided loans. The government intends to maintain the stand that "Japan cannot give a particular country special treatment."

The government thinks "the recent appreciation of the yen has been brought about by speculative trading, thus it will only be temporary." It has no intention to review the amount of yen loans because of the fluctuations in the exchange rate.

In working out a plan for the provision of yen loans, the government does not take into account the short-term trend of the exchange rate. For example, it does not reduce the amount of loans even if the yen depreciates against the dollar. Similarly, it does not increase the amount even if the yen appreciates.

Under the current system, it is difficult to revise the contents of already signed long-term loan contracts. In the case of China, the government cannot but just keep extending the current third set of loans to the country. As for the fourth set of loans beginning in 1996, Japan, while closely monitoring the behavior of the exchange rate, is expected to decide on the amount before the two sides exchange notes on specific programs subject to the loans.

Firms Expand Trade With China, Central Asia

OW1303091795 Tokyo KYODO in English 0633 GMT 13 Mar 95

[FBIS Transcribed Text] Tokyo, March 13 KYODO—Major Japanese trading companies have expanded their footholds in China from coastal urban areas such as Shanghai to inland and border regions to promote trade with Central Asian and Indochinese countries, according to company officials.

Itochu Corp. last September set up a representative office in Urumqi, the Xingjian Uygur Autonomous Region, to promote trade with Mongolia and Central Asian republics of the former Soviet Union.

Company officials said the office will conduct studies on possible exploration of nonferrous metals and other natural resources in the countries and promote plans to export textiles and foods from the countries to Japan.

Mitsui and Co. and Marubeni Corp. late last year established offices in Kunming, the capital of Yunnan Province, to expand trade with Vietnam, Laos and Myanmar [Burma], especially exports of phosphate ore and timber to Japan, according to company officials. The ore is used as a fertilizer material.

In addition, Mitsui concluded a tie-up with Yunnan authorities in January to loan about 200 million yen for expansion of fertilizer plants in the province.

Mitsui officials said the company plans to further increase trade with the authorities in the coming years.

Nissho Iwai Corp. plans to start exporting Yunnan-produced phosphate ore in May to fertilizer makers in Japan and other Asian countries, company officials said.

Chinese authorities are encouraging the economic development of China's inland and border areas, which have been slow in introducing foreign investments, the officials said.

No Pre-KEDO Talks Planned With DPRK

OW1103032395 Tokyo SANKEI SHIMBUN in Japanese 9 Mar 95 Morning Edition p 2

[FBIS Translated Text] A senior Foreign Ministry official indicated on 8 March that, it would be difficult for North Korea and the Korean Energy Development Organization (KEDO), an international consortium, to conclude a contract for the supply of light-water reactors by 21 April, the deadline set by the U.S.-North Korea agreement. He also said Japan and North Korea would be unable to resume the stalled Japan-North Korea normalization talks before the contract is concluded between KEDO and North Korea.

On the Japan-North Korea normalization talks, which have remained stalled since November 1992, the senior Foreign Ministry official stressed: "There is no change in Japan's position that clearing up suspicions about North Korea's nuclear development is a prerequisite for resuming the stalled normalization talks." He went on to say it is unlikely that suspicions will be cleared up before the contract deadline for the supply of light-water reactors is met between KEDO and North Korea.

KEDO is scheduled for inauguration on 9 March, but North Korea has reacted against the light-water reactor model to be supplied. It is uncertain, therefore, whether the contract will be concluded by the 21 April deadline set by the U.S.-North Korea agreement. A draft accord for the establishment of KEDO clearly stipulates: "South Korean models" will be supplied to North Korea. On 7 March, KCNA argued against the supply of South Korean models, claiming: "If the contract for the supply of light-water reactors to North Korea is not concluded by the deadline because of the United States' attitude of sticking to the South Korean model, North Korea will have no choice to make a corresponding decision." In this way, North Korea is maintaining its hardline stance against the South Korean model.

The Japanese Foreign Ministry is concerned that if the present gridlock over the supply of light-water reactors continues, it will cause a long delay and dim prospects for resumption of the stalled Japan-North Korea normalization talks. Therefore, in close cooperation with the United States and South Korea, the Foreign Ministry plans to look for ways to persuade North Korea.

Close Contact With Seoul on DPRK Maintained

OW1303102095 Tokyo KYODO in English 0940 GMT 13 Mar 95

[FBIS Transcribed Text] Tokyo, March 13 KYODO—Japan will maintain close contact with South Korea in trying to normalize relations with North Korea, a top Foreign Ministry official said Monday.

The remarks by Vice Foreign Minister Kunihiko Saito follows concerns reportedly voiced by Seoul over a plan by Japanese coalition parties to send their mission to North Korea.

Saito declined to comment during a press conference on whether Seoul has conveyed such concerns, citing "diplomatic reasons."

But YONHAP NEWS AGENCY reported over the weekend that Seoul has urged Japan to be cautious in its moves, especially at a time when Pyongyang is refusing to accept South Korean-made light-water nuclear reactors.

Saito said the Foreign Ministry hopes the three-party coalition's planned mission to Pyongyang will help pave the way for the resumption of bilateral negotiations, suspended since November 1992.

"Japan wants to resume the talks as early as possible and normalize relations with North Korea," Saito said.

The ruling coalition, consisting of the Liberal Democratic Party (LDP), Social Democratic Party (SDP) [Social Democratic Party of Japan—SDPJ] and New Party Sakigake, is expected to send its mission to the communist country for three days from Thursday.

But differences still remain among the three parties over how to treat a 1990 agreement signed by the LDP, SDP and North Korea's Workers Party of Korea.

The agreement called on Japan to apologize for its 1910-1945 colonial rule and to pay North Korea compensation for its activities during its colonial dominance and the postwar period.

Saito said the ministry's stance is that the Japanese Government will not be constrained by the agreement because it was signed by political parties, not by the two governments.

DPRK Urged To Accept ROK-Type Reactors

OW1303134295 Tokyo YOMIURI SHIMBUN in Japanese 11 Mar 95 Morning Edition p 3

[Editorial: "North Korea Should Accept 'ROK-Made' Light-Water Reactors"]

[FBIS Translated Text] Japan, the United States, and South Korea were the original members of the international consortium called the Korean Peninsula Energy Development Organization (KEDO), which was set up to provide the DPRK (North Korea) with light-water nuclear reactors and other goods. Applications to join KEDO from Australia, New Zealand, and Canada have now been approved. We hope as many countries as possible join the consortium.

The establishment of KEDO means a step forward in line with the framework of the U.S.-North Korea agreement on the nuclear issue that was reached in October 1994.

However, we cannot help but say that the road ahead for KEDO is rough.

The next point of contention will be the conclusion of a reactor supply contract with North Korea and the coordination of the financial burdens to be shared largely by South Korea and Japan. In particular, it seems obvious that the United States, which will negotiate with North Korea on behalf of KEDO, will face difficulties in concluding a contract.

Although the agreement on the establishment of KEDO stipulates that North Korea will be provided with two light-water nuclear reactors of the standard "South Korean-type," North Korea strongly opposes the plan, claiming that there are safety problems with the South Korean-type reactors.

North Korea says that if a contract is not concluded before 21 April, a target date set by the U.S.-North Korea agreement, it "will be forced to act with a firm determination." Thus, the country threatens that it will lift freezing on operations of its graphite- moderated nuclear reactors.

It even says that even if the U.S.-North Korea agreement is scrapped, it "has nothing to lose and to be afraid of."

This is doubtful. In that case, the situation on the Korean peninsula will become tense again. And, no forward step will be made in the process of normalizing relations between the United States and North Korea. In line with the U.S.-North Korea agreement, bilateral relations between the two countries have been restored to the extent that establishment of liaison offices in both countries is close at hand. And, supply of heavy oil to North Korea will be suspended. Moreover, arguments on possible sanctions against North Korea will be raised.

That is not a desirable outcome for Japan, the United States, and South Korea.

North Korea should consider the advantages of respecting the U.S.-North Korea agreement and the disadvantages of scrapping it.

To promote the process of solving the nuclear issue and normalizing the U.S.-North Korean relations in line with the framework of the U.S.-North Korea agreement, it is desirable for North Korea to accept South Korean type light-water reactors.

South Korea is supposed to bear a major portion of the $4-5 billion funds needed to provide light-water reactors to North Korea. It is only natural that the wishes of the South Koreans should be respected. North Korea bears responsibility for not having originally dispelled suspicions about its nuclear arms development.

If North Korea continues to question the safety of the South Korean-type reactors, the issue should be referred to the International Atomic Energy Agency (IAEA) for safety verification. If, as North Korea claims, South Korea has an "impure political motive" for providing the two reactors, it should be possible to establish a system to guarantee South Korea has no such intention.

We hope that in negotiations on the reactor supply contract, both sides try to reach an accord by looking at the issue from the broad view. We think it is time for North Korea to graduate from its brinkmanship diplomacy. We would like the United States to consult closely with Japan, South Korea, and other KEDO member nations in concluding a contract with North Korea.

Although the Murayama administration has promised Japan will play a "meaningful financial role" in providing North Korea with light- water reactors, it has failed to give a sufficient explanation of the matter to the public.

The Murayama administration should, without delay, explain how the U.S.-North Korea agreement framework affects Japan and how much Japan will contribute financially so that the public will thoroughly understand the situation.

Pyongyang Sends Invitation to LDP, Sakigake

OW1103144695 Tokyo KYODO in English 1426 GMT 11 Mar 95

[FBIS Transcribed Excerpt] Tokyo, March 11 KYODO—A secretary of North Korea's ruling party has sent invitations for a mission from Japan to senior officials of two of the three ruling coalition parties—the Liberal Democratic Party (LDP) and New Party Sakigake, party officials said Saturday [11 March].

Kim Yong-sun, secretary of the Workers Party of Korea, has sent an invitation to LDP President Yohei Kono, LDP officials said.

The invitation letter was delivered to Koichi Kato, chairman of the LDP Policy Affairs Research Council, through officials of the General Association of Korean Residents in Japan, the officials said.

The ruling coalition is planning to send a mission to North Korea next week in a bid to resume stalled bilateral talks on normalizing diplomatic ties.

LDP Secretary General Yoshiro Mori said earlier in the day a formal invitation from North Korea will come as early as Monday. [passage omitted covered in referent item]

Hatoyama on Mission to DPRK

OW1303130395 Tokyo MAINICHI SHIMBUN in Japanese 12 Mar 95 Morning Edition p 2

[FBIS Translated Text] Yukio Hatoyama, secretary general of Sakigake [Harbinger], held a news conference in Utsunomiya city on 12 March. Touching on a plan to send a delegation of the ruling parties to visit the DPRK (North Korea), Hatoyama said: "Since an agreement has not been reached within the three ruling parties, careful coordination is still needed. Some have suggested the delegation should be sent on 16 March, but no action should be taken before consensus is reached among all those concerned." He thus expressed a cautious stance toward the delegation's early dispatch. In explaining his stance, Hatoyama touched on the joint declaration of the Liberal Democratic Party, the Social Democratic Party of Japan, and the Workers Party of Korea issued in 1990, which acknowledges the need for "paying compensation 45 years after the end of World War II," and said: "Efforts should be made to reach a consensus among the three ruling parties before the delegation visits the DPRK."

SDPJ Disagrees With LDP

OW1303092095 Tokyo KYODO in English 0856 GMT 13 Mar 95

[FBIS Transcribed Text] Tokyo, March 13 KYODO—The Social Democratic Party (SDP) [Social Democratic Party of Japan—SDPJ] disagreed Monday [13 March] with a proposal by its ruling coalition partner Liberal Democratic Party (LDP) to send a joint mission to North Korea from Thursday as the opening gambit in efforts to reopen deadlocked bilateral talks.

SDP Secretary General Wataru Kubo told a press conference, "It is extremely difficult for the SDP to join the proposed mission from (March) 16th." The SDP has maintained friendly ties with North Korea.

The SDP's refusal comes as a big setback for the LDP's plan to engineer a suitable diplomatic climate for resuming the long-stalled normalization talks with Pyongyang.

It also represents an unexpected last-minute disappointment for the LDP, which earlier in the day received a letter of invitation to visit North Korea.

The SDP and the other ruling coalition party, New Party Sakigake [Harbinger], have already received similar invitations from North Korea's ruling Workers Party of Korea.

Presenting the letter to LDP Secretary General Yoshiro Mori, Ho Chong-man, vice chairman of the pro-Pyongyang General Association of Korean Residents in Japan (Chongryun), expressed hope that the mission would help contribute to peace and stability in east Asia, the LDP officials said.

Mori had told Ho that the mission would be headed by Former Foreign Minister Michio Watanabe.

Tokyo and Pyongyang began talks on normalizing bilateral diplomatic ties in January 1991, but the talks broke down in November 1992 when Pyongyang rejected Tokyo's demand for information about a Japanese woman allegedly abducted from Japan by North Korean agents.

The ruling coalition was to have sent a mission to North Korea last fall, but the planned visit was canceled due to differences among the LDP, SDP and North Korea over how to treat a 1990 agreement.

The agreement, which was opposed by conservative LDP members, called on Japan to apologize for its 1910-1945 colonial rule and pay North Korea compensation for its activities during the colonial rule "and for losses inflicted on the Korean people in the ensuing 45 years after the war."

The latest invitation does not touch on the agreement, LDP officials said.

SDPJ Refuses To Join Mission

OW1303122195 Tokyo KYODO in English 1137 GMT 13 Mar 95

[FBIS Transcribed Excerpt] Tokyo, March 13 KYODO—The Social Democratic Party (SDP) [Social Democratic Party of Japan—SDPJ] refused Monday [13

March] to join the mission to North Korea proposed by its coalition partner Liberal Democratic Party (LDP) to try to break the deadlock over bilateral talks.

SDP Secretary General Wataru Kubo told a press conference, "It is extremely difficult for the SDP to form a delegation in time for the proposed mission from March 16."

Kubo pointed to the uncertainty over whether the Workers Party of Korea will agree to abandon the so-called three-party declaration by the LDP, SDP and the Workers Party, which called on Japan to pay compensation for losses inflicted on the Korean people during the 45-year colonial rule and postwar period.

If any disagreement over the 1990 document surfaces after talks with North Korea begin, it would damage efforts to normalize diplomatic ties with Pyongyang, Kubo said.

The declaration invited criticism from conservative LDP members and caused confusion among Japanese diplomats, who tried to play down its significance.

But some LDP members argued Monday that North Korea is no longer sticking to the declaration as a basis for bilateral negotiations.

"The Workers Party has changed its stance. That's clear from the fact that it has accepted (Former Foreign Minister) Michio Watanabe as head of the delegation," said a high-ranking LDP official.

Meanwhile, Prime Minister Tomiichi Murayama, who heads the SDP, said the mission should comprise representatives from all the coalition partners, in an apparent expression of skepticism about a mission without his party.

"I think the three parties should toe the line on this project," Murayama said after discussions with SDP cabinet members on the issue.

The SDP's refusal to join the mission also made the other coalition partner, New Party Sakigake, cautious about going to North Korea with only the LDP.

Senior Sakigake officials agreed to reconsider the plan.

The SDP's rejection comes as a major setback for the LDP's plan to engineer a suitable diplomatic climate for resuming the long-stalled normalization talks with Pyongyang.

"We would like to form a joint mission even if that requires a delay," said a senior LDP lawmaker.

The LDP will decide by Tuesday whether to send a mission without the two coalition partners or delay the project.

Total abandonment of the mission plan, however, was not on the lips of many LDP leaders.

"Since an invitation from North Korea has come to each of the three parties, the LDP should not reject it even if the SDP doesn't go," said LDP Secretary General Yoshiro Mori. [passage omitted covered in referent item]

The LDP's Policy Affairs Research Council Chairman Koichi Kato will negotiate with North Korea for a delay of the mission by several days in order to persuade the SDP to join it, said LDP sources.

"We definitely want to go to Pyongyang with our coalition partners," said a senior LDP lawmaker.

The LDP's Watanabe, who is expected to head the mission, is not willing to lead a one-party delegation to Pyongyang, the party sources said.

The SDP's [Social Democratic Party of Japan—SDPJ] Kubo, meanwhile, said his party would not oppose the dispatch of an LDP mission since each of the three parties was invited.

DPRK Allows Japanese Children To Emigrate

OW1103120395 Tokyo KYODO in English 1143 GMT 11 Mar 95

[FBIS Transcribed Text] Beijing, March 11 KYODO—The North Korean Government has agreed to allow the children of Japanese ultraleftist hijackers to emigrate to Japan by the end of this year, a group of supporters reported Saturday [11 March].

Yukio Yamanaka, head of a group promoting the "repatriation" of their children, said the leftists have applied to the government for approval of their children's departure.

Yamanaka visited Pyongyang via Beijing on March 7-11 for a meeting with the leftists, including Takamaro Tamiya, 52, to arrange for the emigration of their children to Japan.

Seven former members of the militant Red Army have been living in North Korea since they hijacked a Japan Airlines plane during a domestic flight to Pyongyang in early 1970.

They have married Japanese women who secretly visited North Korea and produced 18 children, aged 18 to less than 1 year.

Yamanaka said the children can obtain Japanese nationality when they submit to Japanese authorities certificates of birth issued by the North Korean Government.

Tokyo To Cut Passage From Nuclear Statement

OW1003140695 Tokyo KYODO in English 1347 GMT 10 Mar 95

[FBIS Transcribed Text] Tokyo, March 10 KYODO—Japan will eliminate a controversial passage from a planned statement to the International Court of Justice on the legality of using nuclear weapons, government sources said Friday [10 March].

The original statement worked out by the coalition government of former Prime Minister Ttutomu Hata in response to a request from the court last year argued from a legalistic stance and said that a nuclear threat or the use of nuclear weapons does not contravene international law.

The view sparked a public outcry and harsh protest from the then opposition Liberal Democratic Party and Social Democratic Party which urged that the passage be removed.

Foreign Minister Yohei Kono told the House of Representatives Cabinet Committee earlier Friday that the previous statement "should be considered as the basis" for the one to be formulated by the tripartite ruling coalition.

Responding to a question from opposition Shinshinto (New Frontier Party) lawmaker Yoshihiko Noda, Kono suggested that the sentence "we believe it (nuclear weapon use) does not conform with the spirit of humanitarianism" should be kept.

The UN General Assembly last year adopted a resolution urging the international court to rule whether the use of nuclear weapons violates international law.

In return the court has asked all member nations of the United Nations to submit their view on the matter by June 20 this year.

Accelerated Public Works Spending Urged

OW1003022095 Tokyo KYODO in English 0152 GMT 10 Mar 95

[FBIS Transcribed Text] Tokyo, March 10 KYODO—International Trade and Industry Minister Ryutaro Hashimoto on Friday [10 March] renewed a call for the government to accelerate its public works spending plan as a way to deal with various economic issues including the strong yen.

Referring to Japan's chronic current-account surplus, which he cited as one of factors behind the strong yen, Hashimoto said, "it is necessary to implement a large part of the government's public works program earlier than scheduled."

The government should formulate an extra budget for fiscal 1995 by taking into account acceleration of such spending, Hashimoto said at a news conference.

He said a policy without a macroeconomic angle would not address various problems facing Japan.

Japan's new 10-year public works program from 1995 envisages outlays of 630 trillion yen.

On short-term measures against the yen's rapid rise against the dollar, Hashimoto expressed hope that monetary authorities will continue further efforts to turn the situation around.

On the controversial large-scale retail store law revision, Hashimoto brushed off U.S. criticism that the latest Japanese efforts lack substance.

In an interim deregulatory report by the Ministry of International Trade and Industry, part of a five-year government package set for release at the end of March, no specific commitment is shown on the retail store law, except to say revision should be made on a medium-term basis.

"American claims that efforts toward revision lacks substance are not valid because their request is also unclear," Hashimoto said.

He added, "Views are mixed even in Japan over what to do with the law."

The large-scale retail store law has been under fire abroad for blocking foreign entry to Japan's retail industry by imposing tougher conditions for opening stores.

Meanwhile, a senior MITI official said it is "difficult" for the electric power companies to cut electricity rates in line with the yen's appreciation.

"First, the electric power companies have been cutting their rates tentatively. In addition, crude oil prices are rising."

He acknowledged, however, that viewed only from the currency rate factor, it is possible for them to cut the present charges, which are based on a value of 99 yen to the dollar.

"But electricity rate reduction is not easy as the crude oil price has been rising beyond their criteria of 17 dollars per barrel," he said.

No Diet Elections Before APEC Forum Urged

OW1303072795 Tokyo ASAHI SHIMBUN in Japanese 12 Mar 95 Morning Edition p 2

[FBIS Translated Text] Minister Ryutaro Hashimoto of the Ministry of the International Trade and Industry gave a speech in Hiroshima on 11 March. Touching on the Asia Pacific Economic Cooperation [APEC] forum in Osaka scheduled for November, he said: "In order to fulfill Japan's full role as the host country, we should realize that we cannot afford the time for elections right now. As can be seen in the rifts in APEC's relations with the United States and with China, it would be undesirable to create a political situation that could lead to the dissolution of the House of Representatives if we want to complete the APEC forum schedules without any confusion."

His comments indicated that he feels there should be no lower house dissolution or general elections before the end of the year.

LDP's Mori Denies Early Diet Dissolution

OW1103120195 Tokyo KYODO in English 1130 GMT 11 Mar 95

[FBIS Transcribed Text] Yokkaichi, Japan, March 11 KYODO—The secretary general of the ruling coalition partner Liberal Democratic Party (LDP), Yoshiro Mori, on Saturday [11 March] denied the possibility of an early dissolution of the House of Representatives for a general election in the foreseeable future.

Citing the yen's sharp rise in value and the Jan. 17 great Hanshin earthquake as urgent political tasks, Mori said, "it is important to stabilize politics without creating a political vacuum."

The will of the people will be shown during the April nationwide local elections and the House of Councillors elections in June, Mori told a press conference in Yokkaichi, Mie Prefecture, central Japan.

On the next general election, Mori said, "it is natural for a political party to aim at grabbing the majority as its duty is to take power and embody policies."

The next general election is due to be held by July 1997.

Mori also stressed the need to preserve the present tripartite coalition framework with the Social Democratic Party [Social Democratic Party of Japan—SDPJ] and New Party Sakigake, saying, "It is important to stabilize politics by forming a coalition to keep leeway."

SDPJ Willing To Change Peacekeeping Stance

OW1003171295 Tokyo SANKEI SHIMBUN in Japanese 8 Mar 95 Morning Edition p 2

[FBIS Translated Text] The Social Democratic Party of Japan [SDPJ] in an informal meeting of the party Central Executive Committee [CEC] on 7 March finalized a draft for the "1995 Declaration" announcing ideals for a New Democratic Liberal Party.

The draft refers to the question of how far Japan should become involved in UN peacekeeping operations. Concerning the party's position in opposing Japan's participation in UN peacekeeping forces, the draft now says that the party "should decide its stand based on the rule that Japan will not participate in peacekeeping forces or other UN forces if the exercise of force is a premise." This means that the party is willing to change its stand opposing participation. The expression "the party should be careful in dealing with the question of approving the participation" that existed in the first version from December has been deleted.

The draft 1995 Declaration will be finalized at a meeting of the party CEC on 9 March. Whereas the initial draft looked very much like a list of the SDPJ's traditional policies and a summary of the party's history, the new version provides a basis for discussions on forming a new party. The initial draft used "the "Social Democratic Party of Japan" as the subject of sentences, but that has been changed to "we," and expressions such as "platform-style documents" are no longer used.

In the first meeting of the "New Party Issues Review Committee" (chaired by party Vice Chairman Issei Inoue) held after the CEC's informal meeting, procedures for forming a new party were discussed. The committee agreed in general that the party should seek to complete the formation of the new party before the House of Councillors election. The committee also agreed that an interim report should be prepared before the unified local elections are held and that opinions of intellectuals and SDPJ-supporting organizations should be invited.

* New Party Politics Welcomed

952B0081A Tokyo THIS IS YOMIURI in Japanese Jan 95 pp 88-90

[Article by Taro Yayama, political commentator: "Taro Yayama's Sharp Critique: Curtain-Raiser on New Party Politics"]

[FBIS Translated Text] Facing a new electoral system, political circles are accelerating their realignment actions. In due course, the electoral system, made up mainly of single-seat constituencies, will probably give birth to two major, ideologically purified political parties. What we call the medium electoral district system basically is one that produces a multiparty system. Since multiple representatives are produced from the same electoral district, it is natural for it to become a multiparty system. That is evident when one looks at the situation prior to the conservative merger. The conservative side, consisting of the liberal party, democratic party, progressive party, cooperative party and so on, ran too many candidates. However, in 1955 the conservatives effected a merger on the one point of opposing Soviet-style socialism, and the parties existing to that point were converted into factions. They hoisted the single signboard of the Liberal Democratic Party [LDP], but in actuality a factional coalition regime continued on for 40 years.

The Social Democratic Party of Japan [SDPJ] side, on the other hand, was unable to pull together a broad popular consensus and split off the Japan Democratic Socialist Party [DSP] and Komeito. LDP politics came together in support of the regime and traced a course only seeming to be party politics appealing to the public and winning backing for its fresh image of the state. As it was the Cold War era and a time of economic recovery, it may be that delineating an ideal image was not particularly needed.

Since the opposition parties split up and became impotent in the face of such an overpowering ruling party, the SDPJ that fervently opposed everything was sufficient.

Of late, former Komeito Secretary General Junya Yano has been writing inside stories and political commentary on the political world, but it is amazing to find that persons like this with leadership positions in the opposition parties possess neither political ideas nor concepts of state management and think that merely undercutting the regime is, by itself, politics. For example, the drama of backing Nikaido, in which they tried to support Mr. Susumu Nikaido in an effort to block Nakasone's reelection. Why did they think Mr. Nakasone would be no good? Would Mr. Nikaido have been all right? There was no political theory or philosophy to it. It was merely a spectator's spirit, hoping for something to happen. If that is all it takes, any factional reporter with a one-track mind could be a politician.

It is said that Mr. Noboru Takeshita is trying to be reinstated and rule from behind the scene. What does Mr. Takeshita want to do in wielding his influence? Amid the upheavals in the international situation due to the end of the Cold War, what sort of Japan would he try to build? Regrettably, one can see not a shred of such an ideal.

A close connection exists between the medium electoral district system and the politics that degenerated into the irresponsible politics of factional politics and opposition to everything. That electoral system having changed, what will transpire? For the first time, Japan may see modern party politics come into being. It will not be possible with just one general election, but as we go through elections two and three times, it will converge into two major parties with differing ideologies and policy goals.

Looking over various opinion polls, one finds that support for the LDP-SDPJ is around 30 percent and total support for the other parties with Shinshinto [New Frontier Party] thrown in is a little under 20 percent. The remaining 50 percent are "undecided" on the party to support. That the undecided are so numerous may be due to their being unable to see doctrinal or policy differences between the LDP and Shinshinto.

Diplomatic Stance as Major Axis of Confrontation

In the new international situation, the most important axis of confrontation is their diplomatic position. Because the international situation of domination by the U.S. and Soviet superpowers ended with the Soviet Union's collapse, the world is moving actively to use the United Nations as the new means for maintaining order. I would say that world order from now on may be maintained by a collective leadership system. Amid such a turn of events, international views are rising that ask if Japan and Germany should not be added as permanent Security Council members.

On this, the LDP-SDPJ-Sakigake trio of Prime Minister Murayama, Foreign Minister Kono and Finance Minister Takemura takes the stance that "Japan must not positively say it will join" (Finance Minister Takemura). If we say positively that we wish to join, we will be pressed for military contributions. I would guess that it has the ulterior aim of joining on condition of our contributing in "nonmilitary" ways. It was because of the Cold War era that Japan was able to survive while averting its eyes from military matters. It was also because of Japan having been a small power economically that it could carry through with the Yoshida doctrine, the doctrine of the primacy of economics.

However, the Cold War is over, and Japan, now a major economic power, is being asked by the world to play a new role. It is characteristic of this trio that they have no awareness of this change in the times and hope to continue the same easy-going course as before, calling it the "dovish line." However, can the entire LDP be satisfied with such a way of existing? The LDP was once a party upholding enactment of an independent constitution as its principle. Seeking to change that principle into a "constitutional protectionist" line, party president Kono founded the basic issues survey group (Masaharu Gotoda, chairman), but Mr. Kono's intention is meeting heated opposition. The SDPJ has had its way on the atomic bomb victim relief law and dispatch of Self-Defense Forces to Rwanda. The LDP's ideological mainstream is cautious about sending the LDP, DSPJ, and Sakigake representatives to North Korea. The senior leadership has come to resent the situation of being led by the dovish, constitutional protectionist trio, saying "this is a phenomenon converting the LDP into the SDPJ."

The thinking opposing this dovish line may be the "argument for active contributions" emphasized by former Prime Minister Hata. Mr. Ichiro Ozawa's "ordinary nation" line may also come within the same framework. Mr. Morihiro Hosokawa also reveals his intent by saying, "Under current Constitutional interpretation, Japan cannot carry out the missions it should." He uses the term "soken" [original Constitution,] inferring his intent to alter the status quo. However, if one asks if all parties making up Shinshinto are the same, Komeito recently reconfirmed its centrality by saying, "peacekeeping operations [PKO] and peacekeeping forces [PKF] should be separated." What it means is that even PKO activities, Japan cannot carry out as other nations.

Ideologically, it would be more clear cut for Shinseito and DSP to combine with the conservative mainstream, and for the LDP's constitutional protectionist faction, the SDPJ, Sakigake and Komeito to combine. However, such combinations are impossible to realize due to the complexities of the LDP's splitup. Both the LDP and Shinshinto harbor ideological distortions internally and have no choice but to proceed as is for the time being. By going on to draw together the several purposes amid the political currents and stressing differences from the opposing parties, they may come to determine their course on their own.

The axis of confrontation for domestic policies will either sustain the status quo or mean reform. The LDP and SDPJ are making do on a foundation of preserving the status quo while Shinshinto can get along by destroying this framework. The LDP and SDPJ stand for big government and politics favoring industry, while Shinshinto stands for easing regulation, advancing policies of free competition, and aiming for small government. In any case, I wish to felicitate the start of party politics in Japan for the first time.

Cabinet Information Office Functions Explained

OW1103050095 Tokyo BUNGEI SHUNJU in Japanese Apr 95 p 236

[Unattributed article from the "Kasumigaseki Confidential" column: "Resurrection of Naicho"]

[FBIS Translated Text] One of the topics talked about in the government environs of Kasumigaseki these days is the Cabinet Information Research Office [Naikaku Joho Chosa Shitsu]. A man quipped: "That shadow has come out into the open. Has this come about as a trend of the times, too?" The office is part of the Cabinet Secretariat, and commonly called "Naicho." There was a time it was called Japan's version of the CIA.

Its office is on the sixth floor of the Prime Minister's Office building. As in the case of other offices in the Cabinet Secretariat, it is staffed by personnel from various government ministries and agencies. But despite the fact it was activated before other offices, it has been regarded as ranking below the Councilors' Office on Internal Affairs, Councilors' Office on External Affairs, and Security Affairs Office. And last year, when there was a proposal to upgrade office chiefs in the Secretariat to the rank of administrative vice minister, the head of Naicho was excluded.

Naicho's functions are primarily to collect and analyze information. In the days of the East-West Cold War, analyzing national security information and trends in communist bloc nations was said to have been its primary function. That is why it used to be called Japan's version of the CIA. It enjoyed a sort of secretive existence. Since the collapse of the Cold War structure, its target is said to have shifted to analyzing the trend of news media views on the government.

The current head of the office is Yoshio Omori (graduate of Tokyo University Law College, who began serving in the National Police Agency in 1963). He has been in the position since Prime Minister Miyazawa's days, thus serving four successive prime ministers. Late last year, he went to visit the real CIA, supposedly on a mission to study in which direction the new Naicho should head.

Even to Omori, who has served in the security-related line of work since his first days in the National Police Agency, the need to change Naicho was probably acutely apparent.

But then, unexpectedly, the office was thrust into the limelight as a result of the Hanshin earthquake. It happens that Naicho was the only office in the Cabinet Secretariat with duty officers on watch all the time, and it was decided that the functions of information collection should be consolidated within Naicho. That literally brought the office out into the open. Its staff is made up of a little over 80 people in five departments. The staff members appear to be somewhat perplexed, but Prime Minister Murayama is said to think highly of Omori who heads the office. The office head is supposed to brief the prime minister once a week, but recently, Omori has been called into the prime minister's office almost every day.

A friend of Omori's who went to Tokyo University with him and who is now serving in a different government office, said: "Omori is a man who can keep secret." Prime Minister Murayama himself may well have become more cautious about the information management of the Prime Minister's Office.

'Lowest' Wage Increase Expected This Spring

OW1103092595 Tokyo KYODO in English 0843 GMT 11 Mar 95

[FBIS Transcribed Text] Tokyo, March 11 KYODO—Japanese workers are likely to see the lowest ever wage hike in this spring's wage talks in the aftermath of the Jan. 17 Kobe quake, combined with the hectic rise of the yen against the U.S. dollar, industry analysts say.

The lowest hike on record was 3.13 percent set last spring due largely to the protracted recession of the national economy, according to Labor Ministry figures.

Already, enthusiasm about the wage negotiations, known as "shunto" in Japan, lost steam this spring as Nippon Telegraph and Telephone Corp. (NTT) and the Japan Telecommunications Workers Union agreed earlier this month to set a pay hike of a low 2.80 percent or an average 9,300 yen a month.

The wage hike is the smallest since NTT was privatized in 1985. NTT served as a harbinger for this spring's wage negotiations.

The Japan Council of Metal Workers Unions (IMF-JC), comprised of labor unions of metal, electrical machinery, automobile, steel and shipbuilding sectors, is to enter into talks with management next week.

In the steel sector, Nippon Steel Corp., the industry leader, and other major steel companies plan to offer no increases in base wages while offering 3,500 yen in seniority-based periodic raises, compared with a base hike demand of 2,000 yen.

The tough policy was fed in part by the forecast that three—NKK Corp., Kawasaki Steel Corp. and Sumitomo Metal Industries Ltd.—of the "big four" steelmakers will incur pretax losses in the 1994 business year to March 31 for the second consecutive year.

The steel industry was also unsettled by the renewed surge of the yen in foreign exchange dealings, industry analysts say.

The labor union at Kobe Steel Ltd., hard hit by the Jan. 17 great Hanshin earthquake, will abstain from demanding an increase in base wages until the company crafts a reconstruction plan. Wage talks will focus on bonuses for the time being, union officials said.

In the automotive industry, the yen's steep ascent has prompted the management of pace-setting Toyota Motor Corp. to toughen its stance in wage talks.

Toyota's trade union had been poised to seek a monthly wage hike of over 10,000 yen against last year's increase of 9,200 yen.

But Iwao Isomura, Toyota executive vice president, said, "As of now, we plan no wage hikes this year. Accordingly, this year's wage hike, if any, won't surpass last year's."

Trade unions of electrical machinery makers, meanwhile, intend to obtain higher wage increases than last year's average of 3.05 percent on the back of recovering earnings.

But the management side initially plans to offer a hike of some 2 percent. Therefore, industry attention is focusing on whether the increase rate will top 3 percent.

Bargaining over the 3 percent line is also likely in wage talks in the shipbuilding/heavy machinery sector, industry analysts say.

The sector's traditional practice of following the leader's footsteps may collapse as Mitsubishi Heavy Industries Ltd., the no. 1 maker, is performing strongly while other shipbuilders are still mired in the doldrums, they say.

Article Examines Telecommunications Regulations

OW1203124495 Tokyo NIHON KEIZAI SHIMBUN in Japanese 8 Mar 95 Morning Edition p 12

[First in the series "The Telecommunications Industry Is in Danger—A Barrier of 'Industrial Laws'" written by the telecommunications issue survey team; this installment entitled: "The Entry of New Companies Is Not Easy—Priority Is Given to Protecting Existing Companies"]

[FBIS Translated Text] The problem with the telecommunications market, a field with growth potential, is that there are many regulations. In addition to the Telecommunications Business Law, which is considered to be the "constitution," there are many laws controlling the telecommunications industry. These include the Radio Law, the Broadcast Act, and the law concerning Nippon Telegraph and Telephone Co. (NTT). Moreover, invisible regulations exist. Because the telecommunications industry provides a public service, it is difficult to completely liberalize it. However, laws and regulations constitute a major stumbling block to the industry's business development. We surveyed several "industrial laws" which hinder the growth of the industry.

He Reluctantly Admitted "Regulations Do Exist"

Koji Hamada, chief of the Ministry of Posts and Telecommunications' [MOPT] Telecommunications Business Department, was fluently describing the telecommunications business at a hearing on deregulation opened by the ruling coalition's deregulation project team on 2 March. However, for a moment Hamada was stuck for a word immediately after he reluctantly admitted that "regulations do exist." He made the remarks when House of Representatives member Kiyoshi Mizuno, who represents the Liberal Democratic Party in the project team, questioned whether there are entry regulations [of new companies into the business].

Hamada has been in charge of deregulation issues at the MOPT since when he served as chief of the General Coordination Division. In response to strident calls for deregulation, he has repeatedly maintained the MOPT's views. He often used the method of bewildering persons at the start of discussions. By citing the Telecommunications Business Law, which serves as an administrative basis, he would say: "There are no regulations concerning the entry of new companies—regulations adjust supply and demand." On that day, after a brief silence, he averted additional questions by adding that "as in the United States, there is a license system."

"Why can't we do this?" a U.S. CBS reporter expressed asked when he tried to send an on-the-spot report on the unprecedented damages in the [17 January] great Hanshin earthquake directly to the United States via satellite. It turned out that it is much more difficult to deal with Japanese regulations than he expected. What is needed in the United States to send a satellite report is just a radio license. After getting the license, one can engage in satellite telecommunications at a low cost. However, in Japan, to enter the telecommunications business, it is necessary to get a radio license, business permission, and government approval of charges. In Japan, it is not easy to violate the rights and interests of "gyosha" [companies which provide public telecommunications].

If companies are allowed to freely engage in international satellite telecommunications, this will have a great impact on the management of existing providers. Commercial broadcast stations, which are users of international satellite telecommunications, express dissatisfaction with the current situation. They say: "The consignment fee one needs to pay to Kokusan Denshin Denwa Co. (KDD) is too expensive." However, regulations on the entry of new companies have given priority to protecting existing ones. The MOPT has avoided concrete discussions due to legal restrictions. This contrasts with the situation in the United States, where special rules have been created to promote competition and to give favorable treatment to newcomers in the business.

Industry "Memorandum" Promises No-Entry Into Other Spheres

When new providers—those who entered the business during the telecommunications liberalization ten years ago—try to enter into another field, they are faced with more incomprehensive entry regulations. The MOPT maintains: "Separation of business categories such as long-distance telephone service, local telephone service, and overseas service has occurred because the amount of investment in such businesses is enormous. There are no other regulations than special acts concerning NTT and KDD." However, this is merely the official stance. What symbolizes the situation is a "memorandum presentation" case involving local telephone companies, including Tokyo Telecommunications Network (TTNet), which are supported by electric power companies. They have reportedly submitted to the MOPT a memorandum in which they promise not to connect lines with providers in other regions.

Although the local telephone companies' business sphere is limited, they can provide nationwide services if they connect their lines with one another. This would be welcomed by customers. It is strange that everyone in the industry talks ambiguously about the issue.

A former MOPT official who was in charge of licensing the entry of telephone companies in the late 1980's revealed: "Before we permitted them to enter the telecommunications business, we asked them to submit a letter to the effect that they would not connect lines with other regions in view of the impact on existing providers." This is the so-called "nensho" [memorandum]. In response, a current MOPT official explained: "I think those telephone companies only stated that their business plans did not include [interconnection]." TTNet and other companies responded: "We do not know about the memorandum."

New telecommunications companies known as Shindenden [new providers], which provide long-distance phone service, strongly reacted: "If local phone companies promote interconnection of their lines, this will lead them to enter the long-distance phone service business. It is hard for us to approve of this situation." The prospects for the telecommunications business were less clear ten years ago. Some say that what is behind the MOPT's adherence to the current situation, in which only three companies are allowed to engage in long-distance phone service, is consideration for the forerunners who entered the long-distance phone business originally, in response to the MOPT's intentions.

In some aspects, it is difficult to completely deny regulations on the entry of companies. Various "special rights for public utilities" have been granted to class-1 providers which possess their own telecommunications facilities. For example, they are allowed to own private land to lay telegraph poles and also allowed to occupy roads to lay optical fiber network underground. If other companies are allowed to enter the business, it becomes difficult to judge who should be granted public service privileges and who should not. It is possible that the law for new public service organizations may be reassessed.

No Changes Planned in the Telecommunications Law

When a reporter pointed out at a 7 March news conference that there is no centerpiece in the MOPT's deregulation plan, Posts and Telecommunications Minister Shun Oide threw out his chest, citing the OECF's Telecommunications White Paper: "Japan has obtained 15 points out of a possible 16. Japan is the most advanced nation in the world in the deregulation area." There are no plans to include further review of regulations on business entry in the deregulation program to be presented 10 March.

Ten years have passed since the telecommunications liberalization. The MOPT has no intention of initiating changes in the telecommunications law.

North Korea

Foreign Ministry on ROK Reactors, KEDO

SK1103110195 Pyongyang KCNA in English 1044 GMT 11 Mar 95

["South Korean Model Never Acceptable to DPRK, FM Spokesman "—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 11 (KCNA)—A spokesman for the Foreign Ministry of the Democratic People's Republic of Korea answered a question put by KCNA today concerning the inauguration of the "Korean Peninsula Energy Development Organisation" [KEDO] aimed at the provision of a South Korean model of light water reactors.

He told KCNA:

The United States inaugurated the international consortium, out of its own need to fulfil its obligation to provide light water reactors under the framework agreement with the DPRK.

We, therefore, had no part in it and felt no need to do so.

If the international consortium were an organisation taking charge of the fund and facilities of light water reactors to be provided to the DPRK, its objective and mission should have been those of meeting the demand of the receiver.

Despite the consistent and principled position of the DPRK against the South Korean model, the United States sides with the South Korean authorities, overtly declaring the objective of the organisation is to provide it to the DPRK. We cannot but view this as a virtual challenge to the DPRK and a declaration that it will break the agreement with the DPRK.

We will have no dealing with any organisation the objective of which is to provide the South Korean model.

If the United States tries to make an ill-intentioned organisation deal with the DPRK or impose anything on the DPRK with the backing of that organisation, no agreement on light water reactors will be concluded at any time and the United States will have to bear full responsibility for the consequences.

No light water reactor labelled as South Korean model is acceptable to the DPRK in any case.

We will regard the United States alone as our dialogue partner in the introduction of light water reactors, as stipulated in the agreement between the DPRK and the United States.

War Exercises of 'Imperialist Warmaniacs' Viewed

SK1103043995 Pyongyang KCNA in English 0423 GMT 11 Mar 95

["Unending Air War Exercises Against North"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 11 (KCNA)—The U.S. imperialist warmaniacs staged war exercises against the North in the sky above South Korea from March 6 to 8 together with the South Korean puppets with the mobilization of warplanes of various types from their bases in Japan and the Pacific region, according to military sources.

The overseas-based fighter planes and those of the U.S. Air Force present in South Korea and the puppet air force were frantic in the air battle exercises for winning the air supremacy, for preemptive surprise raid on the strategic targets in the inland areas of the eastern half of Korea and for supporting the ground offensive units.

The warplanes of various types involved in the manoeuvres totalled upwards of 1,300.

Meanwhile, the U.S. imperialist warmaniacs mobilised about 20 strategic and tactical reconnaissance planes of various types for aerial espionage on the northern half of Korea in the same period.

The U.S. imperialists and the South Korean puppets should squarely look at the trend of the times, stop reckless action and immediately discontinue the criminal act of rendering the situation on the Korean peninsula strained.

CPRF Denounces Planned Apr Military Exercises

SK1303044095 Pyongyang KCNA in English 0429 GMT 13 Mar 95

[FBIS Transcribed Text] Pyongyang, March 13 (KCNA)—The secretariat of the Committee for the Peaceful Reunification of the Fatherland [CPRF] made public Information No. 678 on Sunday [12 March] denouncing the South Korean puppets for their recent announcement of the plan to hold large-scale joint military exercises of the puppet three services in Hwachon, South Korean Kangwon Province, from April 3 to 8.

The information said that the South Korean puppets' war exercises to be held against North in the area close to the Military Demarcation Line are a premeditated move to aggravate the tension on the Korean peninsula still further and throw a wet blanket over the implementation of the DPRK-U.S. agreed framework.

Noting that the South Korean puppets are staging war exercises, big and small, against North almost every day in March, the information continued:

The reckless war exercises of the South Korean warmaniacs are a hurdle in the implementation of the DPRK-U.S. agreed framework. And they may cause a new war. If the South Korean puppets stage war exercises of different scales almost every day to coil up the situation, the suspension of the "Team Spirit" joint military exercise may be useless.

The South Korean puppets must stop at once war exercises against North they are holding almost every day and cancel the planned war exercise for a sinister purpose.

If the Kim Yong-sam group continues resorting to the adventurous war gamble, it will came only to a miserable end.

Government Rejects ROK Offer To Supply Grain

SK1103055695 Pyongyang Radio Pyongyang in Korean to South Korea 1250 GMT 10 Mar 95

[Commentary by Yun Pyong-son: "Maniacs Who Regard the North-South Dialogue Issue as a Piece of Material"]

[FBIS Translated Text] The South Korean puppets are making insane remarks these days, as though [words indistinct]. The remark by the puppet Deputy Prime Minister Na Ung-pae in an informal session with reporters on 8 March is one such remark. By parroting the nonsense said by traitor Kim Yong-sam about some kind of proposal to provide materials to the North, he babbled that dialogue between the authorities is inevitable, that he anticipates a response, and so on.

Unless he was crazy, how could he have made such a remark under their humiliating situation? Truly it is indeed absurd nonsense at which even an enraged bull would laugh.

Of course, the puppets made such a remark as if to pretend that they want to achieve reconciliation, cooperation, and improvement in North-South relations, but many people denounced and ridiculed it just like the old tale in which the whole world laughed at the crow that cawed in trying to imitate an oriole.

Considering South Korea's reality, the puppets are in no position to babble presumptuously about material assistance or to rattle on regarding this matter. As everyone knows, in colonial South Korea, due to pressure from outside forces to open up its market and strong nation-selling acts by the Kim Yong-sam ring, the overall economy including industry and agriculture has fallen into a pit of doom which cannot by any means be restored, and the people are thus suffering from the worst economic difficulties.

The rate of employment capital was reduced to a record low of 29 percent, and people are tragically dying from hunger and committing suicides daily throughout South Korea, and many children are going to school without their lunches. Moreover, 56,000 boys and girls have taken to the streets to eat and live. This is South Korea's stark reality today.

Therefore, before babbling about some assistance, the Kim Yong- sam ring must fill the hungry bowels of the people and save the people who are suffering from poverty. In the northern half of our Republic, we have a strong, self-sufficient national economy with a heavy industry that is strong, light industry that is up-to-date, and an agriculture that is developed. Thus, all the people are free from worry about food, clothing, and shelter conditions, and are living happily.

There is a saying that you should look before you leap. The Kim Yong-sam ring is a pathetic, good-for-nothing beggar flustering about among countries to beg for money because it cannot even take care of its own people. Therefore, to make some kind of proposal and so on is an absurd and preposterous act which is unbecoming.

The puppets should not deride people by playing upon worthless words. They had better wash their noses first. What is more loathsome is that Kim Yong-sam and Na Ung-pae talked about improving North-South relations by providing material to the North.

The reason conciliation and cooperation between the North and South has not been realized is simple. As the world recognizes, the antinational and antireunification Kim Yong-sam ring is entirely responsible for the worst influx in North-South relations today.

It is no other than the Kim Yong-sam ring that has completely frozen North-South dialogue, which was continuously held even under previous military dictatorial regimes; that has tried to harm fellow countrymen by borrowing swords from outside forces, raising an outcry over the fictitious nuclear issue; and that has aggravated tensions by waging various war exercises.

In particular, on the death of a fellow countryman, the Kim Yong- sam clique pointed guns at compatriots in the North who were in grief rather than observe the decorum of expressing condolences. He is a savage; he is little better than a beast.

Being unable to have any stance of his own on the issues of reunification or North-South relations, and using these issues as a means to maintain his position, like a boneless worm Na Ung-pae is attempting to achice something with material. This is indeed an idea commensurate with the peddler Na Ung-pae, and is a foolish dream to achieve reunification through absorption by [word indistinct] inside us and inducing our opening up.

The paltry endeavor of Kim Yong-sam and Na Ung-pae to resolve the issues of reunification and North-South relations by dirty means palnned by a peddler deserves the denunciation and opposition by all fellow countrymen. The reunification issue and the issue of North-South relations are not matters that can be settled with material.

If the Kim Yong-sam ring truly desires reconciliation and cooperation between the North and South, it should frankly apologize for the peerless, intolerable, and antinational acts it has committed; should abolish the National Security Law, an antireunification fascist evil law that blocks contacts between the North and South; should stop conducting various kinds of war exercises targeting the North; and should abandon its policy of relying upon outside forces prior to mentioning dialogue between the North and South Korean authorities.

Talking about improvements in North-South relations without taking these practical measures is a derision of fellow countrymen that can convince nobody.

The Kim Yong-sam ring can never conceal with preposterous sophistry its cruel nature as war maniacs, followers of confrontation, divisionists, and dialogue destroyers. Nor can it avoid a stern trial by the nation.

ROK Officials' Remarks on Sanctions Denounced

SK1103100995 Pyongyang Korean Central Broadcasting Network in Korean 0650 GMT 11 Mar 95

[Dialogue between reporters Chong Song-kang and Yi In-chun: "The Puppets' Rash and Reckless Remarks and Acts Exposed Antinational Color"]

[FBIS Translated Text] [Chong] How are you? The Kim Yong-sam group in South Korea is continuing to present absurd remarks irritating us. I would like to talk about this with you at this time.

[Yi] In a so-called seminar arranged recently by the club of diplomacy-security affairs reporters, the puppet Foreign Minister Kong No-myong, the first-class stooge of the traitor Kim Yong-sam, babbled that in the event that the implementation of the North Korea-U.S. Geneva agreement fails, he will thoroughly cope with this situation with sanctions against the North and with the reinforcement of military power.

Indeed, we cannot but say that his remarks are nonsensical and preposterous.

Besides, the puppet Defense Minister Yi Yang-ho, who also attended the seminar, raved that he will consider a military exercise to replace the Team Spirit joint military exercise.

[Chong] Earlier, the puppet Defense Minister Yi Yang-ho also babbled about North Korea's troop reinforcement, the danger of provocations, and so forth. This proves that as soon as the puppets took important positions of power, they exposed their antinational color one after another.

As has been known, Kong No-myong and Yi Yang-ho are the representative first-class stooges whom the puppet traitor Kim Yong- sam newly appointed toward the end of last year in an attempt to restore his failed policies toward North Korea and foreign policies. As soon as they took power, they began to slander fellow countrymen. It is not difficult for us to guess that they will perpretate many malicious acts in the future by pursuing North-South confrontation.

[Yi] You are right. Kong No-myong, who took the post of the puppets foreign minister, made a junket to the United States in early February, and carried out nation-selling, flunkeyist begging diplomacy to beg for so-called resumption of the North-South dialogue. This is a fact already known to the world.

Kong No-myong, the first-class stooge of the puppet traitor Kim Yong-sam, has a nation-selling flunkeyist nature to his bone. In a so-called seminar, this man made absurd, nonsensical remarks about sanctions, increasing military power, and so forth, talking as if he represents the United States. This is the very rash and reckless act of the colonial puppet who has no sense of where he belongs. His act is indeed ridiculous and preposterous.

The DPRK-U.S. framework agreement is a historic document signed between us and the United States. It is not something that the South Korean puppets, who were unable even to attend the talks, can talk about blindly.

Nevertheless, Kong No-myong carried out ugly begging diplomacy by visiting the United States in an attempt to interfere in and disturb the implementation of the DPRK-U.S. framework agreement. Not satisfied with this, he babbled about sanctions, increased military power, and so forth, while hoping that DPRK-U.S. relations be aggravated and obstacles be laid to implementing the framework agreement. This showed once again the Kim Yong-sam puppet clique's malicious intention to put the brake on implementing the framework agreement and to harm fellow countrymen.

[Chong] You are right. As we have repeatedly stressed, sanctions and military pressure cannot work with our dignified Republic. The South Korean puppets should know what fate they will face in the event that they lead the situation on the Korean peninsula to war, and should act with discretion.

The South Korean puppets are recently frantically running amok to stage by all means the Team Spirit joint military exercise, the dangerous playing with fire for nuclear war against our Republic. Furthermore, they raved that they would carry out a war exercise similar to the Team Spirit exercise—a test nuclear war—under a different signboard in the event that they cannot stage this exercise. However, this will not bring good results to them.

[Yi] You are right. This notwithstanding, Kong No-myong, Yi Yang-ho, and the like, made a series of remarks totally going counter to the implementation of the DPRK-U.S. framework agreement, without a sense of distinguishing fire from water. We cannot but regard them as foolish people with no sense.

As for Kong No-myong, he was chairman of the South side of the North-South Nuclear Joint Control Committee during the puppet traitor No Tae-u's Sixth Republic and spokesman of the South side of North-South high-level talks. This man is a foolish rascal who ran amok to instigate North-South confrontation at the table of North- South dialogue. The South Korean media described him as having conservative northward views in North-South issues.

As soon as Yi Yang-ho took the post of puppet defense minister, he frantically ran amok with confrontation and commotions of war.

[Chong] You are right. The puppet traitor Kim Yong-sam appointed these figures to so-called key positions after a careful selection. This shows that the South Korean puppets' remarks about harmony, cooperation, dialogue, and so forth, are deceitful utterances aimed at concealing their true intention of pursuing North-South confrontation and war.

The traitorous Kim Yong-sam group is scheming to realize at any cost its dishonest purpose of harming fellow countrymen in collaboration with outside forces while blocking the implementation of the DPRK-U.S. framework agreement and leading the situation on the Korean peninsula to the brink of war.

[Yi] You are right. It seems that the South Korean puppets failed to learn a lesson from the pitiful situation of the dog that chases after the chicken and looks at the roof where the chicken flied up. This is sthe situation they faced when they were running amok trying to disturb the DPRK-U.S. talks.

The traitorous Kim Yong-sam puppet clique should no longer make remarks to slander us but should know that the more remarks it makes to irritate us, the more clearly will the rascals show their true color as the group of national traitors and antireunification elements. It should act with good sense.

Abolition of ROK National Security Law Urged

SK1203032695 Pyongyang Korean Central Broadcasting Network in Korean 0650 GMT 9 Mar 95

[Dialogue between station reporters Chong Song-kang and Yi In-chun: "The National Security Law, an Unprecedented Fascist Evil Law, Must Be Abolished Immediately"]

[FBIS Translated Text] [Yi In-chun] How are you?

[Chong Song-kang] Fine. How are you?

[Yi] Fine. South Korea's National Security Law is the most fascist and unprecedented evil law, is it not?

[Chong] Yes, it is.

[Yi] Let us discuss this today.

[Chong] Okay. The reactionary National Security Law of South Korea is an unprecedentedly vicious, malicious, and fascist law. South Korea's HANGYORE SINMUN demanded the abolition of this evil law, sharply criticizing the National Security Law as an all-mighty means for the ruling forces, an iron stick against the popular masses whose arms and legs are bound to it.

The Japan-based Korean paper MINJOK SIBO on 12 February carried an article urging the South Korean people to make great efforts to abolish the National Security Law. The article noted Kim Yong-sam, who in the past insisted on abolishing the National Security Law when he belonged to the opposition party, has been using the law as a sword to maintain power and as a lever for confrontation ever since coming to power. The article also revealed that hundreds of people from all walks of life have been arrested on charges of violating the National Security Law since the invention of the civilian government.

[Yi] Voices demanding the abolition of the fascist National Security Law are increasing in the international community. International organizations, such as the UN Human Rights Committee, issued resolutions demanding the abolition of the National Security Law. U.S. authorities also officially expressed their hope for the abolition of the National Security Law. These facts show that the demand for the abolition of the reactionary South Korean National Security Law is not an issue that concerns South Korea alone, but a major trend in international public opinion.

[Chong] You are right.

[Yi] However, the puppet traitor Kim Yong-sam never abolished the notorious National Security Law, a target of strong denunciation and opposition by the people at home and abroad. He has mercilessly oppressed South Korean youths, students, and people engaged in the movement for independence, democracy, and reunification by invoking the unprecedented fascist evil law.

[Chong] He really has. The puppet traitor Kim Yong-sam was once a victim of the National Security Law when he worked for the opposition party. At that time, he desperately cried for the abolition of the National Security Law.

A South Korean paper reported: Some people thought the first step of the civilian government would be to amend or abolish various evil laws. In particular, they expected the National Security Law would naturally be abolished because the president used to be one of its victims when he worked for the opposition party. However, as regards the people's demand for the abolition of the National Security Law, after coming to power Kim Yong-sam strictly said that he cannot abolish the National Security Law even though he was a victim of it. He even spoke such preposterous sophistry that now, after holding the reins of power, he has come to realize the necessity of the National Security Law.

The paper continued: Kim Yong-sam stated that the National Security Law is now being denounced by people at home and abroad because it was wrongly invoked in the past, and will never be abused in a civilian government. However, Kim Yong-sam cruelly infringes upon human rights by invoking the National Security Law, going against words.

[Yi] The puppet traitor Kim Yong-sam's gibberish has clearly proved to be an absurd and preposterous sophistry after he came to power, was it not?

[Chong] Yes it was.

[Yi] Pier Robert of Amnesty International exposed that even after the inauguration of the puppet Kim Yong-sam regime, people are still arrested on charges of pro-communist acts, a violation of the National Security Law. He stressed: In particular, it is embarrassing that many of those arrested are merely internal dissidents demanding guarantees of workers' rights.

A special statement released by the U.S. State Department on 11 August 1994 noted: The National Security Law is being abused to arrest students and others in South Korea. The United States expressed its concern on several occasions about infringing on human rights by invoking the National Security Law, and clearly conveyed its hope for the abolition of the law. Then the special statement demanded that the National Security Law be amended or abolished.

[Chong] It is indeed a justifiable demand.

[Yi] Absolutely.

[Chong] As the issue became a serious matter, the puppet traitor Kim Yong-sam babbled the government position that the National Security Law cannot be abolished under the existing situation in which the Korean peninsula is divided into South and North, and stubbornly persisted that the law cannot be amended unless someone's attitude changes. He then threatened not to pardon anyone who violates the National Security Law, thus setting out on an undisguised suppression of the South Korean people's ideological mass movement.

The puppet traitor Kim Yong-sam regards patriotic democratic associations, which are carrying out righteous activities for national harmony and for the country's reunification, as associations benefiting the enemy, regards all people's meetings and demonstrations for the fatherland's reunification as seditious meetings and illegal demonstrations, and viciously oppresses them by invoking the National Security Law.

The South Korean puppets headed by Kim Yong-sam regard the National Alliance for the Country's Reunification, a nationwide reunification alliance of overseas compatriots, as an association benefiting the enemy, and do not allow its activities under an unfair ruse that alleges it is an association under the North's control, despite the fact this group was organized upon the South's proposal and that it is a civilian organization of the reunification movement operated by consent among the three sides—the North, the South, and overseas.

[Yi] You are right. As has already been reported, the puppets headed by Kim Yong-sam pointed guns at fellow countrymen who were in deep grief over the greatest national misfortune; viciously oppressed those South Koreans who expressed their condolences; and do not hesitate to arrest and punish as seditious elements South Korean youths, students, and people from all walks of life who study and believe in the chuche idea, a dogma of the times.

[Chong] You are right. These facts show that the fascist National Security Law is a fascist evil law helping to maintain the South Korean dictators' ruling system, and that without its abolition, neither the humanitarian guidance of family members and relatives living on (?the other side) nor South-North dialogue and an improvement in South-North relations can be completely impossible.

[Yi] Yes, they really do.

[Chong] The puppets headed by Kim Yong-sam talk about illusory sophism such as economic cooperation, free travel, and the like; leaving the reactionary National Security Law as it is illusory. This is an intolerable derision of all compatriots' aspirations for reunification.

The puppets headed by Kim Yong-sam are not qualified to talk about reunification as long as they maintain the antinational and antireunification National Security Law. The puppet Kim Yong-sam clique can be said to be the historic dregs [yoksaui omul] that (?ruin) our destiny with the National Security Law.

The 70 million compatriots in the North, South, and overseas will turn over the adverse tide of division with the swift current toward reunification, will promote great national unity on the ground where the National Security Law has been abolished, and will achieve reunification in the 1990's without fail.

[Yi] I believe so. Let us conclude our discussion for today. Thank you.

Cuban Committee on Korean Reunification Meets

SK1203083795 Pyongyang KCNA in English 0809 GMT 12 Mar 95

[FBIS Transcribed Text] Pyongyang, March 12 (KCNA)—The annual meeting of the Cuban Committee for Supporting Korea's Reunification was held in Havana on March 7.

The participants in the meeting paid a silent tribute to the memory of the great leader President Kim Il-song.

The meeting reviewed the work of last year and discussed the tasks for this year.

Addressing the meeting, Jesus Montane Oropesa, chairman of the committee, recalled the two parties, the two countries and the two governments have pressed on with socialist construction in firm unity, and said no force on earth can dampen the unbending will of the two peoples who are firmly defending their countries, revolution and gains of socialism.

The friendly and cooperative relations between the two countries based on the intimacy forged between the great leader Comrade Kim Il-song and Comrade Fidel Castro Ruz have been strengthened and developed by the great leader of the Korean people Comrade Kim Chong-il, generation after generation, he said.

He added the Cuban people will in the future, too, as in the past, express firm support for and solidarity with the Korean people in their struggle to achieve national reunification in the 90's.

Desire of Koreans for Reunification Stressed

SK1103111695 Pyongyang KCNA in English 1027 GMT 11 Mar 95

["Historical Occasion for National Harmony and Unity"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 11 (KCNA)—It is the unanimous will and desire of the seventy million Koreans to achieve the reunification of the country at any cost within the present century under the wise guidance of the great leader of the nation Comrade Kim Chong-il, true to the behests of the great leader Comrade Kim Il-song, says NODONG SINMUN in a by-lined article today.

A grand reunification festival marking the 50th anniversary of the liberation of the country which will be held jointly by the Korean people in the North, the South and overseas around August 15 this year is of weighty significance in promoting the national reconciliation and unity and making a breakthrough in reunification, the author of the article says, and continues:

If the Koreans at home and abroad jointly celebrate the 50th anniversary of the country's liberation, it will again demonstrate to the whole world the inseparable lineage of the homogeneous nation and the will of the whole nation for reunification and pave a new way for a powerful reunification movement through reconciliation and unity, removing mutual misunderstanding and distrust. If a way of reunification common to the nation is discussed and confirmed at a grand national conference with the participation of representatives of all parties, groupings and social strata at home and abroad, a great upsurge will be made in the reunification movement because the ardor and efforts of the nation for reunification are put together in attaining the target of national reunification.

The grand reunification festival marking the 50th anniversary of the country's liberation, which will make a breakthrough in national reunification, must be opened at any cost.

If those in the North, the South and overseas are to sit together at the place of the grand reunification festival on the 50th anniversary of the country's liberation, they should wage a stronger struggle for the abolition of the "National Security Law" of South Korea which defines the fellow countrymen in the North as the enemy and by which the champions of reunification are harshly suppressed and murdered. The Koreans in the North and overseas should positively support and encourage the South Korean people in their efforts to successfully hold the grand reunification festival marking the 50th anniversary of the liberation of the country.

Although many difficulties and trials stand in the way of the Korean nation for the country's reunification, the cause of national reunification is sure to emerge victorious as there is the wise guidance of the great leader Comrade Kim Chong-il and there is the invincible strength of the Korean people who are stepping up their grand march toward reunification, looking up to him as the lodestar of national reunification.

ROK Struggle Against 'Globalization' Viewed

SK1103050195 Pyongyang KCNA in English 0428 GMT 11 Mar 95

["Green Light For Massive Resistance"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 11 (KCNA)—NODONG SINMUN today comments on the organized struggle which has started in various places of South Korea against the ruinous "globalisation" plan of the traitor Kim Yong-sam.

Recalling that students of scores of universities and colleges in South Korean Kangwon Province, Taejon and North and South Chungchong Provinces held rallies and demonstrations to expose the falsity and deceptive and reactionary nature of the "globalisation plan", the analyst of the paper says:

The struggle of the students is a green light heralding that the struggle against the "globalisation" scheme of the traitor Kim Yong- sam will soon expand all over South Korea.

"Globalisation" is a criminal move to fling the door of South Korea wider open to the outside forces and leave its political, economic, cultural and other domains under their domination and plunder on one hand and stamp out the consciousness of independence among people and imbue them with the idea of dependence on the outside forces to make them the faithful servants of the international capital on the other hand.

It is a well-known fact that the South Korean puppets intend to sacrifice national reunification vital to the Korean nation under the signboard of "globalisation".

The Kim Yong-sam group brought forward the "globalisation plan" as the last playing card to extricate itself from the serious ruling crisis. However, it has been thrown into an inextricable abyss in face of the protests of the people.

Those who commit crimes against the country and the nation are sure to be punished.

The struggle of the South Korean people against the Kim Yong-sam "regime" which is trying to find out a way out of the crisis by deceiving them under the signboard of "globalisation" will grow stronger.

Paper Condemns ROK 'Suppression' of Funeral

SK1303044495 Pyongyang KCNA in English 0434 GMT 13 Mar 95

["Thrice-Cursed Atrocity"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 13 (KCNA)—NODONG SINMUN today brands the Kim Yong-sam group's suppression of the participants in the funeral service for unconverted long-term prisoner Yun Ki-nam of guerrilla origin as thrice-cursed atrocity.

The news analyst says:

The South Korean puppets' imprisonment, persecution, suppression and kill of those who fought a just struggle in defence of idea, faith and principles are an intolerable criminal act and their scheme to stop Yun Ki-nam from being buried in the Cemetery of Patriotic Soul is a villainous act.

Never should it go unnoticed that the Kim Yong-sam group intends to invoke the "National Security Law" to take a legal action against those who held the funeral service. This fully shows what a rude barbarian and fascist bandit the Kim Yong-sam group is.

The criminal act of the Kim Yong-sam group making no scruple of persecuting, suppressing and killing those who fought for independence, democracy and reunification and trying to make even those who buried a victim of the fascist dictatorship a target of sword-brandishing is a felony indelible down through generations.

If the unconverted long-term prisoners are left under the fascist repressive rule of such a band of villains as Kim Yong-sam group, no one knows what tragic death will be caused in the future.

The Kim Yong-sam group must abolish the "National Security Law," a notorious anti-communist fascist law, release all the unconverted long-term prisoners arrested unreasonably and immediately send back the unconverted long-term prisoners old Kim In-so, Ham Se-hwan and Kim Yong-tae hailing from the northern half of Korea to the bosom of their dear families and relatives.

If the Kim Yong-sam group turns its back on the desire and demand of the era and the people and continues to take the road of anti- ethical crime, they will have to pay dearly.

Najin-Sonbong Economic Zone Progress Described

SK1303105795 Pyongyang KCNA in English 1035 GMT 13 Mar 95

[FBIS Transcribed Text] Pyongyang, March 13 (KCNA)—The construction of the Najin-Sonbong Free Economic and Trade Zone is in full swing.

The construction of Najin Hotel No. 1 with a total floor space of nearly 10,000 square metres at Anju-tong in the scenic seashore has entered the final stage.

The ten-storeyed hotel equipped with splendid service facilities is to be opened from June.

A network of communications for guaranteeing business activities in the zone is under construction.

The project for the foundation of the building of Najin international communications centre with a total floor space of some 10,000 square metres has been already completed.

A communications branch centre covering over 4,800 square metres at Sonbong and a building of communications office of more than 1,500 square metres at Wonjong are being fast built to ensure international communications by optical fibre cable between Najin and Hunchun.

The Najin-Hunchun optical fibre cable project will be finished in mid-April.

The construction project of an earth-sand road of some 40 kilometres between Wonjong and Najin for intermediate freight transport has been already finished. About 300 structures and some 50 bridges have been built, and the project of cutting off and filling up over 1.3 million cubic metres of earth carried out to build the road 12 metres wide available for the transport of freight and tourists. The road will be open to traffic in the latter half of the year.

What draws attention is the construction of a fascinating tourist village in Pipa.

The ground work of large hotels will be completed within this month.

Pipa rent houses of peculiar shape are being built.

The ground work of golf-links of 200 hectares and an amusement centre with a total floor space of 20,000 square metres is being stepped up.

A water supply project is under way.

A project for expanding the capacity of Huchang reservoir two times has been completed in February.

The construction of a new large water supply tank in Muchang is over the 50 percent line.

The construction of the road to Pupo airport for large passenger planes to take off and land is progressing apace.

Taking-off and landing grounds of helicopters for tourists will be built in this area.

Removing 'Enemy Clause' From UN Charter Viewed

SK1203084195 Pyongyang KCNA in English 0821 GMT 12 Mar 95

["DPRK Delegate on Unreasonableness of Insistence on Removal of 'Enemy Clause' From U.N. Charter"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 12 (KCNA)—The delegate of the Democratic People's Republic of Korea, addressing Monday the special committee on the Charter of the United Nations and on the strengthening of the role of the organisation held in New York, laid bare the unreasonableness of the insistence on the removal of the "enemy clause" from the U.N. Charter, saying that if the war crimes of Japan are covered up and the "enemy clause" is removed from the U.N. Charter, trust in the United Nations will fall in.

He said that the clause appearing in articles of the U.N. Charter is a delicate political issue fraught with many outstanding problems that should be solved without fail, and an issue that cannot be solved in a package deal, and that it is because there is such a country as Japan which has yet to fulfill its duties in redressing its war crimes.

He went on:

In Korea alone Japan committed shocking crimes during the Second World War—drafting more than 6 million young and middle-aged men as bullet-shields in the war of aggression and as labourers at the construction sites for the war, making nearly 200,000 women sex slaves for the Japanese Army and slaughtering upwards of 1 million people.

Japan has not yet repented of the crimes committed against the Asian people nor committed herself not to repeat crimes against humankind in the name of the state.

Notwithstanding this, the allegation that the "enemy clause" has become obsolete is the ignorance and distortion of the stark facts.

If we come to a hasty conclusion that the "enemy clause" is outdated, erase the clause and clear Japan of the crimes, it is as good as justifying Japan's attempt to whitewash her aggression and crimes and allowing her to exert calamities upon humankind and, furthermore, violating the U.N. Charter aimed at world peace and security.

If we cover up Japan's war crimes before history and have the term enemy state dropped from the charter for the mere reason that Japan is wealthy, it will result in setting a precedent that money, not justice, is almighty in solving the international issues and tarnishing trust in the world body, the champion of impartiality and justice in the solution of the international issues.

If we make a mistake today, in view of the past and the present of Japan, it means that we will produce by ourselves a source of irrevocable catastrophy to be imposed again upon the people of Korea, the first target of Japan's reinvasion, as well as the Asian peoples and, moreover, humankind of the whole world.

We cannot identify Japan that still has to redress her past with Germany that liquidated her past as regards the "enemy clause".

We consider it reasonable to rectify the charter so that the "enemy clause" may be applied to the countries that still have to liquidate their past war crimes.

Japanese Guest Inoki Gives Impressions of Visit

SK1203083995 Pyongyang KCNA in English 0813 GMT 12 Mar 95

[" 'Korean People Build Socialism at Their Own Will'"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 12 (KCNA)—Kanji Inoki, leader of the Sports Peace Party of Japan, member of the House of Councillors and president of the New Japan Professional Wrestling Co., Ltd., in a recent interview with CHOSON SINBO said the Korean people are building socialism at their own will.

Referring to the impressions of his two Korea visits he said he came to know well that the people are full of vigour and very optimistic and that the DPRK values courtesy and morality.

I keenly felt that everything should not be interpreted from a Japanese point of view, he said.

Pointing to the purpose of the Pyongyang International Sports and Cultural Festival for Peace, he stressed it is designed to impart the desire for peace to the whole world.

Noting that the DPRK has always had a willing to promote friendship with different countries of the world, he said he thinks that the festival will be an occasion in helping the tourists have a correct understanding of the DPRK.

He said the improvement of relations between the DPRK and Japan should be based on the three party joint declaration.

"I will make efforts for the improvement of the relations between Japan and the DPRK," he stressed.

Australia Councilman Gives Impressions of DPRK

SK1103110895 Pyongyang KCNA in English 1019 GMT 11 Mar 95

[FBIS Transcribed Text] Pyongyang, March 11 (KCNA)—Bill Hartler [name as received], chairman of the Australia-Korea Council, in an article gave his impressions of Korea.

He wrote that he was greatly impressed by the stout-hearted people who are firmly defending the sovereignty of the nation, rallied close around the great leader Comrade Kim Chong-il, and by the changes that have taken place in Korea.

The visit made him have a good knowledge that people can enjoy true happiness only when they are led by a great leader in addition to satisfactory and stable living conditions, he said.

He went on:

More than 105,000 gifts exhibited in the International Friendship Exhibition, which came to President Kim Il-song and His Excellency Kim Chong-il from some 170 countries, are all living evidences of their high international prestige and dignity.

The entire Korean people, therefore, deeply respect and follow their leader and link happiness of life and pride, destiny and future of the nation with him.

The visitors to Korea can hear the death-defying pledge of people to hold President Kim Il-song in high esteem forever as the leader and remain loyal to the leadership of His Excellency Kim Chong-il, the like of which can be found nowhere else.

His Excellency Kim Chong-il is a great man, who has a perfect command of all the qualities and personality as a leader.

His Excellency Kim Chong-il has creditably enriched and developed the chuche idea of the great president and performed great exploits in the building of the party, the state and the Armed Forces.

The Korean people who have this great man as their supreme leader are the most blessed, happiest people and bright is the future of the Korean nation led by him.

WPK Delegates' Activities in Pakistan Reported

SK1303082795 Pyongyang Korean Central Broadcasting Network in Korean 0600 GMT 11 Mar 95

[FBIS Translated Text] A delegation of the Workers Party of Korea [WPK] headed by Hwang Chang-yop, secretary of the WPK Central Committee, paid a courtesy call on (Wasim Ahmad Sazadr), chairman of the Pakistani Senate on 6 March. (Lapiq Ahmad Seik), general secretary of the Pakistan People's Party [PPP] and the DPRK ambassador to Pakistan was present.

The senate chairman asked the head of the delegation to convey his sincere greetings for longevity to the great leader [yongdoja] Comrade Kim Chong-il. The senate chairman said he had the endless honor of being received by the great His Excellency President Kim Il-song, a leader of the century, when he visited the DPRK in April 1992. He pointed out that the great His Excellency President Kim Il-song was a great leader [yongdoja], who was endlessly devoted to the people and was boundlessly modest. He also talked about the development of friendship between Pakistan and the DPRK.

On the same day, the delegation was invited to a banquet hosted by the PPP Central Committee. The attendees made a toast for the longevity of the great leader Comrade Chong-il.

On 7 March, the delegation had talks with a delegation of the Pakistan Muslim League. Attending the talks were the head and members of the WPK delegation, and the DPRK ambassador to Pakistan from our side; and (Ikbar Ahmed Khan), general secretary of the Pakistan Muslim League; Mohammad Asghar, minister of industry and production; and functionaries concerned from the Pakistani side.

Under the authorization of the chairman, who is on an official overseas trip, the general secretary asked the head of the WPK delegation to convey Chairman (Chodri) Hamid Nasir Chattha's sincere greetings to the great leader Comrade Kim Chong-il. The head of the WPK delegation asked the general secretary to convey the great leader Comrade Kim Chong-il's greetings to Chairman (Chodri) Hamid Nasir Chattha. The general secretary recalled his visit to the DPRK in April 1992 when he had a valuable lesson from the meeting with the great leader Comrade Kim Il-song. He said that he sends ardent congratulations to the dear leader [chidoja] Comrade Kim Chong-il, who succeeded the great leader's [suryong] cause and achieved a great victory in the confrontation with the United States, and made brilliant achievements in leading the socialist DPRK.

During the stay in Pakistan, the delegation visited Taxila History Museum and the Murree region.

Foreign State, Party Leaders Support Koreans

SK1103151295 Pyongyang KCNA in English 1503 GMT 11 Mar 95

[FBIS Transcribed Text] Pyongyang, March 11 (KCNA)—Foreign state and party leader fully supported the just cause of the Korean people in recent days when they met DPRK delegations and Korean ambassadors to their countries.

Bangladesh President Abdur Rahman Biswas said Korea is striking the world with admiration in the speed of development in political, economic, technical, cultural and all other fields.

He highly praised the active role of Korea in solving international issues from a firm independent stand, the achievements of Korea in the DPRK-U.S. talks in particular. And he expressed full support and solidarity with the Korean people in their struggle for national reunification.

Blasco Hugo Fernandes, chairman of the National Direction Committee of the Democratic Intervention of Portugal, said he wished the Workers' Party of Korea and the government of the Democratic People' Republic of Korea greater success in their efforts to further strengthen the economic power of the country and improve people's living by carrying out the revolutionary economic strategy under the leadership of the dear leader Comrade Kim Chong-il.

We, he said, would continue to extend support and solidarity with the Korean people in their struggle to achieve national reunification by means of confederation. Mamdoueel Bechir Gologo, secretary general of the National Direction Committee of the Sudanese Union-African Democratic Rally in Mali said that they regard the achievements of Korea in the socialist construction as their own and sincerely hope that the independent and peaceful reunification of Korea will be achieved without delay.

Bangladesh President Receives Economic Delegation

SK1203104795 Pyongyang Korean Central Broadcasting Network in Korean 0100 GMT 10 Mar 95

[FBIS Translated Text] On 7 March, president of Bangladesh Abdur Rahman Biswas received our country's government economic delegation headed by Yi Song-tae, chairman of the External Economy Commission.

At the talks, the head of the delegation conveyed greetings from the great leader [yongdoja] Comrade Kim Chong-il to President Abdur Rahman Biswas.

Expressing deep thanks for this, the president asked the head of the delegation to convey his sincere, warm greetings to the great leader Comrade Kim Chong-il.

The president said he hopes that the Korean people will continue recording great advances in all domains under the wise leadership of the great leader His Excellency Comrade Kim Chong-il by upholding President Kim Il-song's lifetime intention. The president pointed out that when cooperation is intensified in all domains, friendship and cooperative relations between the DPRK and Bangladesh will be further consolidated and developed. He then stressed: The DPRK is striking the world with admiration in terms of the speed of development in all domains, including political, economic, technological and cultural. We highly appraise the positive role of the DPRK in resolving international problems by thoroughly standing on the independent position, in particular, the DPRK's achievements made in DPRK-U.S. talks.

The Bangladesh Government and people extend active support and solidarity to the Korean people's struggle for national reunification. I hope that friendship and cooperative relations between Bangladesh and the DPRK will be closer in the future.

Foreign Media Report on Kim Chong-il's Work

SK1103104695 Pyongyang KCNA in English 1012 GMT 11 Mar 95

[All foreign publications names as received]

[FBIS Transcribed Text] Pyongyang, March 11 (KCNA)—"Socialism Is a Science", a famous work of the great leader Comrade Kim Chong-il, was reported by foreign news media.

The Nepalese paper the VOICE carried the work with a portrait of Comrade Kim Chong-il.

The paper in the preface said:

The work of His Excellency Kim Chong-il gives a clear exposition of socialism.

The work is of greater significance and a powerful weapon for socialist construction as it gave a perfect theoretical and practical exposition of socialism when the imperialists were fussing about the "End of Socialism", with regard to the frustration of socialism in Europe.

The work was also carried by the Nepalese paper NEPAL NEWS, the Yemeni paper AL JAMAHIR, the Pakistani paper AMAN, the Mongolian paper ULANBATAR, the Portuguese paper NOTICIA A AMDOA, the Mexican paper EXCELSIOR, the Cameroonian paper LE PATRIOT and Austrian magazine DIPLOMATISCHER PRESSEDIENST.

The work was reported by radios Cora and Libertad of Peru.

More Foreign Party Leader Greetings Sent to Kim

SK1103050595 Pyongyang KCNA in English 0420 GMT 11 Mar 95

[Spelling of all names as received]

[FBIS Transcribed Text] Pyongyang, March 11 (KCNA) - The great leader Comrade Kim Chong-il received messages of greetings from party leaders of different countries on his birthday.

Among them are Secretary-General of the Pakistan People's Party Rafiq Ahmad Sheikh, Secretary of the Yemen Regional Leadership of the Arab Baath Party Qassim Salam, First Secretary of the Central Committee of the Bulgarian Communist Party Vladimir Spasov, Chairman of the Social Labour Party of Albania Ramadan Undreka, Chairman of the Justice Party of Austria Johann Fruehuwirth, Chairman Vassos Lyssarides and Secretary General Yiannakis Omirou of the Central Committee of the Socialist Party of Cyprus, National Chairman of the Socialist Progressive Party of Madagascar Rakotomandimby Selestine, President of the Mauritius Communist Party L. Chandrmun, General Secretary of the Togolese People's Rally Dama Dramani and General Secretary of the Pan-African Union for the Social Democracy of the Congo Moukoueke Hristophe.

The messages extend warmest congratulations to Comrade Kim Chong- il on his birthday and wish him good health and a long life.

They express the belief that the Workers' Party and the people of Korea will register big success in their efforts to accomplish the cause of the development and peaceful reunification of the country under the wise leadership of Comrade Kim Chong-il.

Kim Chong-il Sends Wreath to Bier of General

SK1303123895 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 13 Mar 95

[FBIS Translated Text] Comrade Kim Chong-il, chairman of the DPRK National Defense Commission and supreme commander of the Korean People's Army [KPA], the great leader [yongdoja] of our party and people, today sent a wreath to the bier of the late Comrade (Son Chong-chun), general of the KPA and anti-Japanese revolutionary fighter, expressing deep condolences on his death.

Kim Chong-il Sends Thanks to Peoples Army Units

SK1103043195 Pyongyang KCNA in English 0416 GMT 11 Mar 95

[FBIS Transcribed Text] Pyongyang, March 11 (KCNA)—The great leader Comrade Kim Chong-il sent thanks to the officers and men and employees of the Kim Hi-to Unit of the Korean People's Army and their families, soldiers of the Kang Chin-sop Unit and employees Chon Hyong-ho and Pak Yong-suk of the Son Sang-yong Unit who displayed a high degree of loyalty to the party and the leader.

The officers and men and employees of the Kim Hi-do Unit and their families sent to the Korean Revolution

Museum tens of thousands of pieces of materials which will be used to permanently preserve revolutionary relics and the soldiers of the Kang Chin-sop Unit did good things for the national economy.

Chon Hyong-ho and Pak Yong-suk, employees of the Son Sang-yong Unit, volunteered to the management office of Mt. Paektu Secret Camp and revolutionary battle sites with the determination to devote their whole life to managing battle sites.

Comrade Kim Chong-il also sent thanks to the officials and workers of the west Pyongyang bearing factory who distinguished themselves in carrying through the revolutionary economic strategy of the party.

Kim Chong-il Sends Thanks to Plant Workers

SK1303022195 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 9 Mar 95

[FBIS Translated Text] The great leader of our party and people Comrade Kim Chong-il has sent thanks to the functionaries and workers of the Sopyongyang Bearing Plant, which is actively contributing to implementing the party's revolutionary economic strategy.

With a deep awareness of the importance of the coal mining industry, a leading sector in the people's economy, the functionaries and workers of the Sopyongyang Bearing Plant displayed high revolutionary zeal and creativity as well as creative initiative, achieving great innovations in the production of bearings for coal trucks.

A meeting to convey the thanks sent by the great leader Comrade Kim Chong-il was held on the spot on 8 March. Functionaries of the relevant sector and functionaries and workers of the plant were present. The thanks sent by the great leader Comrade Kim Chong-il was conveyed amid the warm applause of those present.

Then Pak Yong-chae, the plant manager; Hwang Pyong-won, the secretary of the plant party committee; and Kim Pok-son, a worker, made speeches of resolutions. A letter of resolution was adopted at the meeting.

Kim Chong-il's Work on Entertainment Viewed

SK1303110295 Pyongyang KCNA in English 1010 GMT 13 Mar 95

[FBIS Transcribed Text] Pyongyang, March 13 (KCNA)—Ten years have passed since the great leader Comrade Kim Chong-il published the famous work "Let Us Create More Good Music, Dances and Films Congenial to the National Sentiments of Our People and the Aesthetic Sense of the Times" in March 1985.

In the work Comrade Kim Chong-il said that folk dances congenial to the national sentiments of the Korean people and the demand of the times should continuously be discovered and perfected and more good dances, music and films be created.

After the publication of the work many masterpieces have been created in the past decade.

Musicians and artistes of the Pochonbo electronic band, the Wangjaesan light music band and the Mansudae art troupe and other art troupes composed "Our Pledge" and "No Motherland Without You," songs containing the indomitable will and revolutionary faith of all the Korean people to carry to completion the revolutionary cause of chuche under the leadership of Comrade Kim Chong-il, true to the behests of the great leader President Kim Il-song, and "Don't Advance, Night of Pyongyang" on the evening scenery of the grand and graceful capital city of Pyongyang and many other masterpieces and thus enriched the flower garden of chuche-based music art still further.

Choreographers and dancers, too, contributed to "Song of Happiness," "Song of Best Wishes" and "We Won Victory" and other grand performances which presented on a grand epic canvas the immortal feats of the leadership of the great leader President Kim Il-song who made epoch-making changes in this land, the happiness of the Korean people and their indefatigable stamina, and to the dance suites "The Army and People Uphold the General in One Mind" and "Song of Seasons". They also created "Sunflower," "Watermill Sound for Victory in Chiktong Pass", "Tondollari" and many other dance pieces.

Especially, "The Army and People Uphold the General in One Mind," a dance suite which was recently created by the song and dance ensemble of the Korean People's Army, is highly estimated as a monumental work vividly showing the validity and vitality of the traditional idea of Army-people unity of the Workers' Party of Korea, presenting a grand epical canvas with noted dance pieces of high ideological and artistic plane, peculiar dance music, three- dimensional stage decor and lantern slide.

Amazing development has been made in cinematic field.

The scenarists and other moviemen produced multi-part feature films "The Sun of the Nation" and "The Nation and Destiny", monumental masterpieces, vividly showing the development of chuche- oriented cinematic art and many other films of a great cognitive and educational value.

The multi-part feature film "The Sun of the Nation" depicting the glorious and brilliant revolutionary history and undying feats of the great leader President Kim Il-song makes people recollect his brilliant life with a surge of warmth in their hearts.

The multi-part feature film "The Nation and Destiny" based on the dramatic life of people who have different and checquered careers was made with the song "My Country is Best" as the theme. It is highly appreciated as a model of Korean films which breaks the world record in scenario, direction, acting, shooting, fine art, music and in content and scale and exposition of the theme.

The masterpieces are decorating the treasure-house of chuche-based literature and art still further.

Friendship of Chinese 'Martyr,' Kim Il-song Noted

SK1303110395 Pyongyang KCNA in English 1019 GMT 13 Mar 95

[FBIS Transcribed Text] Pyongyang, March 13 (KCNA)—Zhang Qi, the first grandson of internationalist martyr Zhang Weihua, who is residing in Korea, recently published a note on the noble loving care shown by the great leader President Kim Il-song and the great leader Comrade Kim Chong-il for Zhang Weihua and his posterity.

In the note titled "Gifted With Noble Obligation" he says that the revolutionary amity and intimacy between President Kim Il-song and Zhang Weihua, a Chinese, which began to forge from the 1920s, are still continuing.

Zhang Wancheng, father of Zhang Weihua, who lived in Fusong of China in the mid-1920s, sincerely helped Kim Hyong-chik, father of President Kim Il-song, in his activities for the independence of Korea.

Zhang Weihua, a classmate of President Kim Il-song during the Fusong Senior Primary School No.1, was a man who could live well off, not making a revolution, but he volunteered to participate in the struggle, sympathized with the Korean people in their struggle against Japanese imperialism and devotedly supported and assisted it.

When Zhang Weihua was informed against by a betrayer and arrested by the enemy while assisting the Korean People's Revolutionary Army with many weapons, army uniforms, etc. and conducting his underground revolutionary activities, he killed himself for the personal safety of President Kim Il-song and the common cause of China and Korea.

Highly estimating Zhang Weihua's revolutionary feats, President Kim Il-song put him forward as the great internationalist soldier, a shining symbol of Korea-China friendship and recollected him with emotion in his reminiscences "With the Century".

Mindful of Zhang Weihua's posterity, he dispatched an official to China in the 1950s to look for the family of Zhang.

President Kim Il-song called them to Korea for more than 10 occasions, told them precious words, showed so loving care and solicitude that they could spend joyful days, and sent many gifts and tonics to them.

There stands a monument to martyr Zhang Weihua autographed by President Kim Il-song at Zhang Weihua's grave in Fusong.

Whenever Zhang Weihua's children came to Korea, Comrade Kim Chong-il who inherited the personality and virtues of President Kim Il-song made itineraries, acquainted himself with their lodging and saw to it that younger brother and cousin of Zhang Qi boarded at a guest house of the DPRK Government in the whole period when they studied at the University of International Affairs.

In those days when he was overcome with painful sorrow and grief at the death of President Kim Il-song, Comrade Kim Chong-il bestowed deep benevolence upon the family of Zhang Weihua on a visit to Korea.

Zhang Qi in his note writes that General Kim Chong-il is President Kim Il-song of today who is in our mind with a boundlessly great and affectionate image, and a dear father.

As there is General Kim Chong-il, the flower of the Sino-Korean friendship will come into fuller bloom, socialism of Korea is invincible and makes a long drive like a stout green pine tree which has taken root deep in the earth, he stresses.

Cambodian King Writes on Ties With Kim Il-song

SK1103112795 Pyongyang KCNA in English 1035 GMT 11 Mar 95

["President Kim Il-song Loved Me Like His Real Brother, Says Cambodian King"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 11 (KCNA)—Norodom Sihanouk, king and head of state of Cambodia, in an article titled "On Special Relations Between Me and President Kim Il-song" specially contributed to the South Korean magazine WOLGAN CHOSON wrote that President Kim Il-song loved him like a real brother and gave unconditional, eternal and full support.

The March issue of the magazine carried Norodom Sihanouk's special contribution under the title "I Sihanouk Will Never Recognize South Korean 'Government' in my Lifetime."

The king said that his friendship with President Kim Il-song has no precedent in world history and what was most characteristic of President Kim Il-song, a great communist, was obligation for the people, genuine friendship, equality and anti-opportunism.

He wrote that it was the day after he was met by President Kim Il-song in April 1965 that Cambodia severed diplomatic relations with South Korea and recognized North Korea as single Korea.

"I chose a righteous path, declaring that for Cambodia, a royal country, only North Korea was the symbol of an independent Korea and there were no two Koreas for me," he said.

He wrote it was because President Kim Il-song was possessed of the genuine virtue worthy of humankind that the president gave him unconditional and active help even after Lon Nol staged a coup d'etat in Cambodia in 1970.

He said he would not betray friendship with North Korea forever and his support to President Kim Il-song and his politics was full, immortal and unconditional.

He went on:

"For me Korea means President Kim Il-song and his successor Kim Chong-il, who has bestowed friendship upon me as he did.

"There can be by no means two Koreas for me. Only North Korea represents Korea. As long as I am the king and president of Cambodia, there can and will be no day when Cambodia officially recognizes the South Korean Government. I will not betray the friendship with North Korea."

The King expressed deepest respect and reverence for the great leader Comrade Kim Chong-il and stressed that he is a reliable person who spares nothing for unconditional support to him as the fatherly leader did.

Chongnyon Officials Visit Statue of Kim Il-song

SK1303043695 Pyongyang KCNA in English 0423 GMT 13 Mar 95

[FBIS Transcribed Text] Pyongyang, March 13 (KCNA)—Hong In- hum, chairman of the Auditing Commission of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), and his party, a delegation of workers of external affairs of the Chinese People's Liberation Army headed by Sun Jiexiang, and a delegation of the Tokyo Broadcasting System, Inc. headed by its representative director and President Hirozo Isozaki laid bouquets of flowers before the statue of the great leader President Kim Il-song standing on Mansu Hill and paid homage to him.

Hong In-hum said that Generalissimo Kim Il-song devoted his great whole life entirely to the country and nation, the national reunification and the accomplishment of the revolutionary cause of chuche.

"We will always cherish deep in our hearts the great pride and happiness of holding in high esteem respected supreme commander General Kim Chong-il, another outstanding leader produced by our nation, and actively turn out in the sacred cause to carry through the behests of the fatherly leader," he stated.

Head of the delegation Sun Jiexiang said that President Kim Il- song had made a great contribution to developing the friendship between China and Korea. He said he was convinced that the party, people and army of Korea under the wise leadership of supreme commander Comrade Kim Chong-il will register greater achievements in socialist construction, true to the behests of President Kim Il- song.

North Hamgyong Raises Electric Power Production

SK1303024795 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 9 Mar 95

[FBIS Translated Text] Power stations in North Hamgyong Province are increasing their production of electric power. Thanks to the vigorous labor struggle of the workers and technicians in the province who have sallied forth to smoothly meet the increasing demand for electric power in various sectors of the people's economy, the production of electric power increased by 20 percent over the past 20 days compared with the same period last year.

The workers and technicians of the 17 March Hydro-Electric Power Station, who have brilliantly overfulfilled the monthly electric power production target every month this significant year in which they are to observe the 50th anniversary of the party's founding, have effectively managed the operation of the generators and the maintenance of facilities according to technical regulations, thus overfulfilling the daily production targets of electric power.

The workers and technicians of the 16 June Thermal Power Station, who have set higher targets to produce more electric power this year than last, effectively managed the electric power facilities, such as the turbine and water-pump, and intensified patrol checks and checks during recesses, thus increasing the production of electric power.

The Chongjin Thermal Power Station, which has a large share in the production of electric power for the province, realized the technological innovation plan to reasonably utilize electric power, thus attaining great success in the production of electric power.

Thermal Power Plant Raises Electricity Production

SK1203063495 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 9 Mar 95

[FBIS Translated Text] Electricity producers at the 16 June thermal power plant are normalizing electricity production at high levels.

Functionaries and workers here, who are trying to make my country and my fatherland all the more wealthy and powerful under the leadership of the great leader [yongdoja] Comrade Kim Chong-il, are effectively carrying out facilities and technical management and, by effectively mobilizing and using production reserves, are normalizing electricity production at the 102 to 105 percent-level daily.

Engineers of the heat production work site who are in charge of preceding process, and heat control workers at the No. 1 and 3 boilers, are effectively managing the boilers and, by accepting rational work methods, are all the more enhancing combustion efficiency and achieving innovations in electricity production.

Engineers and operators at the turbine work site are inspecting in rotation and [word indistinct] inspections well, thus guaranteeing full operation and full loads in all turbine engines.

Accomplishing Socialism 'Through Generations'

SK1303110495 Pyongyang KCNA in English 1028 GMT 13 Mar 95

["Immortal Feat in Brilliantly Solving Question of Inheriting Revolutionary Cause"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 13 (KCNA)—NODONG SINMUN today comes out with an article headlined "The Immortal Exploits in Successfully Solving the Issue of Inheriting the Revolutionary Cause" on the lapse of three years since the great leader President Kim Il-song published a work on carrying forward and accomplishing the cause of socialism.

President Kim Il-song in his work proudly estimated the cause of the Korean revolution victoriously advancing under the wise guidance of the great leader Comrade Kim Chong-il and gave explicit answers to the questions arising in carrying forward and accomplishing the cause of the Korean-style socialism down through generations, the author of the article says, and goes on:

The significance of the work lies, first of all, in clearly expounding the law of accomplishing the revolutionary cause of the working class, the cause of socialism and communism and thus providing the precious ideological and theoretical guideline for the solution of the question of inheriting the revolutionary cause.

A decisive guarantee for the accomplishment of the revolutionary cause lies in holding in high esteem the successor to the cause of the leader who pioneered the road of the revolution.

The work put forward the idea of correctly solving the question of inheriting the leadership in conformity with the law of the accomplishment of the revolutionary cause. This opened a clear road to carry forward the cause of socialism to completion generation after generation.

The significance and vitality of the work lies also in giving our people greater national pride and self-confidence in carrying forward the cause of chuche under the guidance of the great leader Comrade Kim Chong-il.

The greatest pride and happiness of the revolutionary people is to be led by a great leader. The question of inheriting the leadership has long been solved brilliantly in our country as respected Comrade Kim Chong-il has wisely led the work of the party, the state and the Army as a whole.

As they hold the great leader Comrade Kim Chong-il in high esteem and advance under his wise guidance, the Korean people are famous as a most proud and happy people who brilliantly carry forward the cause of chuche pioneered by the great leader Comrade Kim Il-song generation after generation.

The significance and vitality of the work lies also in clearly indicating the ways of carrying forward and accomplishing the cause of chuche and thus, further strengthening the singlehearted unity of the revolutionary ranks and having our people actively turn out in the struggle to carry forward the cause of Korean-style socialism.

The work stressed the need to further strengthen the singlehearted unity of our revolutionary ranks centering on the great leader Comrade Kim Chong-il in order to brilliantly carry forward and accomplish the cause of chuche.

Today our singlehearted unity centering around the great leader Comrade Kim Chong-il has been further strengthened on a new higher stage in our country as the revolution and construction advance.

The proud look of our people who are vigorously struggling for the prosperity and development of their country, their motherland, closely united around respected Comrade Kim Chong-il in one mind, true to the behests of the great leader Comrade Kim Il-song glaringly proves how just the idea set forth in the work is and what a great vitality it has.

Daily Urges Strengthening Self-Reliant Economy

SK1303144495 Pyongyang NODONG SINMUN in Korean 20 Feb 95 p 3

[By reporter Hwang Chang-man]

[FBIS Translated Text] It is very significant to even more greatly enhance the vitality of our self-reliant national economy in the course of building our fatherland as the brilliant chuche Korea that shines with the esteemed name of the fatherly leader and as a strong, invincible socialist country, upholding the great leader [yongdoja] Comrade Kim Chong-il's grand idea and intent for the fatherland's construction.

The great leader [yongdoja] Comrade Kim Chong-il noted:

"We should invariably adhere to the line of building a self- reliant national economy, and thoroughly implement it as we did in the past."

Today, our country has a self-reliant national economy that the great leader Comrade Kim Il-song prepared over a long period of time. Our self-reliant national economy is peerlessly powerful. Our economy is advancing on its own strength and has a strong base for more rapid development. Our country's economy is completely self-reliant and chuche-based. Our self-reliant socialist economy is developing, relying upon our own technologies, resources, and the strength of the national cadres and people. It has constantly been consolidated and developed, being unshakable despite worldwide economic slumps or the imperialists' economic sanctions.

Our self-reliant national economy is the strong material basis of our own style of socialism.

Thanks to the powerful self-reliant national economy, we are able to firmly adhere to the country's political independence and sovereignty, and to excellently build socialism with our own strength. With the achievement of our economic reliance, we came to have a powerful basis for enriching the fatherland and for improving the people's standard of living even more rapidly; we are also able to firmly strengthen the national defense ability with our own strength. The self-reliant national economy established in our country is great, enabling us to fulfill any difficult task emerging in the course of enriching and developing the country, and enabling us not to be afraid of pressure and economic sanctions put upon us by the imperialists and to live on our own strength.

It is our party's consistent policy to firmly strengthen the self-reliant national economy and greatly enhance its vitality.

Our people have invariably adhered to and implemented the line of building a self-reliant national economy under the party's wise leadership during the past period, thus creating the independent and chuche-based national economy of our own style from which we can build a growing, prosperous, and strong socialist country.

The might of our self-reliant national economy is clearly proved by the fact that our socialism is ever-victorious today, despite the imperialists' vicious economic sanctions and pressure and the changing external economic environments.

A firm guarantee for glorifying the dignity and honor of the chuche fatherland—socialist Korea—and for achieving its growth, prosperity, and development, lies in firmly adhering to our party's line of building a self-reliant national economy as well as constantly and greatly enhancing the vitality of our country's self-reliant social economy.

Hardening our self-reliant economy is becoming a very important question, particularly under today's situation where the imperialists are forcing us to introduce a capitalist market economy, using "economic cooperation" and "assistance" as a ruse, and are craftily maneuvering to strengthen their economic infiltration.

To highly enhance the vitality of our self-reliant national economy is a sublime struggle to defend, protect, and add luster to the immortal achievements that the great leader accumulated in the course of socialist economic building.

The great leader Comrade Kim Il-song presented a creative line on building a self-reliant national economy for the first time in history and wisely led the struggle to implement the line.

The line on building a self-reliant national economy that the great leader presented is a chuche-oriented line on building an economy that, without being subjugated to other countries, walks on its own; and the stablest and most powerful economy that serves the people and develops based on the country's resources and the strength of the people. This line, a brilliant embodiment of the chuche idea, is the most just line based on a scientific analysis of the inevitability of socialist economic development and the demands of our era, when revolution and construction are carried out in different national states.

The great leader Comrade Kim Il-song presented a line on building a self-reliant national economy and energetically led the struggle to implement this line from the first time he began building a new society. Under circumstances in which we inherited the backward colonial economy and in which even that economy was all destroyed in the war, building a self-reliant economy on our own was not an easy task. However, in the firm belief that this was the only way to consolidate the national independence, which had been won with blood, and achieve national prosperity, the great leader vigorously led the entire party and all the people to the struggle to build a self-reliant national economy. The road was a road of arduous struggle that entails grueling trials. At that time, antiparty and antirevolutionary factional elements who had sneaked into the party opposed the party's line on building a self-reliant national economy, saying that rice does not grow from machines, and great-power chauvinists asked our country to join the Council for Mutual Economic Assistance [CMEA] and put pressure on it. With steel- like will and tested leadership, the great leader Comrade Kim Il- song resolutely crushed any antirevolutionary offensives, turned misfortune into a blessing and adversity into an advantage, and consistently pushed ahead with the line on building a self-reliant national economy. The great leader gave on-the-spot guidances to Kangson and various other places in the country, organized and mobilized the people, and created the great Chollima upswing. His hard work is beyond description.

Because there was the wise leadership of the great leader, our people could have, in a short time, a self-reliant national economy that, without shaking at any economic upheaval or under economic pressure from the imperialists, can materialistically and thoroughly guarantee the country prosperity and development and the people happy lives. If, as the antiparty factional elements raved, we had built an economy subjugated to other countries without building a self-reliant economy and joined the CMEA and, thus, built an economy that moves as other countries direct, we would not have been able to build a powerful socialist country as we have today, but would have brought the grave consequence of the collapse of socialism as seen in some countries.

Based on the principle of self-reliance, the great leader led the struggle to build a self-reliant national economy.

Every time we see today's reality, we keenly feel the justness of his leadership and his farsightedness.

Continuously and strongly consolidating the self-reliant national economy is a behest that the great leader consistently stressed in his lifetime.

Displaying the vitality of the self-reliant socialist economy is an honorable and sacred work to defend and glorify the immortal achievements that the great leader brought about with hard work and devotion and to build our country, our fatherland, as the fatherly leader elucidated. When all our officials and workers firmly believe in the might and superiority of the self-reliant socialist economy and further display its vitality, our fatherland will be strengthened day after day, and our people will enjoy more abundant and civilized lives.

Highly displaying the vitality of the self-reliant national economy is an important guarantee for strengthening the country's material and technological basis and ceaselessly accelerating the economic development.

The prosperity and development of a country is significantly dependent on the economic development.

The socialist economy, which serves its people, is not a subordinate economy but a self-reliant economy. Subordinate economy feeds the foreign monopoly capitalists and runs counter to the basic interests of the popular masses. Its speed of development cannot compete with that of the self-reliantly developing socialist economy. Only the socialist economy, which develops in the unit of a country and a nation on a self-reliant basis, brings true prosperity and happiness to the popular masses. When a strong self- reliant economy is built, it guarantees political independence, firmly consolidates a socialist material and technological basis, improves the people's welfare, and highly demonstrates the superiority of socialism.

Our people were able to brilliantly achieve the historical cause of socialist industrialization in a short period of 14 years and ceaselessly develop the people's economy at a high speed because they implemented our party's line of building a self-reliant national economy.

An important key to ceaselessly effecting upsurges in future economic construction is to thoroughly maintain the basis of a self- reliant national economy. When the superiority of the self-reliant national economy, which depends on the resources and materials of our country and is operated by the strength and technology of our people, is highly displayed, new miracles and innovations can be ceaselessly created in socialist economic construction. This is an established historical truth proven by actual practices.

Today, highly displaying the vitality of the self-reliant national economy is an important guarantee for endlessly glorifying the popular masses-centered socialism of our own style by thoroughly implementing the party's revolutionary economic strategy and significantly improving the people's living standard. Our party's revolutionary economic strategy is a strategy of self-reliance. The demand and goal of our party's revolutionary economic strategy is to make a new turn in agriculture, light industry, and trade, and improve the people's material and cultural life a step forward, on the basis of the already built strong self-reliance national economy. Our self-reliant national economy has the great potential to actively contribute to implementing the party's revolutionary economic strategy. The question is how to demonstrate the vitality of the self-reliant national economy. When all the sectors and units of the people's economy make the most out of the already built economic basis and overcome the obstacles and difficulties on the way with their own strength, the party's revolutionary economic strategy will be brilliantly implemented and our country will look anew.

Today, in our society, genuine patriots mean those who accept at heart the great leader [yongdoja] Comrade Kim Chong-il's idea of building a prosperous country and strive to implement the idea. Implementing the respected and beloved Comrade Kim Chong-il's idea of building a prosperous country is brilliantly succeeding the revolutionary cause of the great leader [suryong], and a lofty cause to glorify for 10,000 generations is the revolutionary achievement of the leader [suryong]. To make our country and our fatherland more prosperous was the leader's will and cause. Those who devotedly struggle to highly display the vitality of the self- reliant national economy provided by the great leader for the prosperity of our country and our fatherland, are genuine patriots, and loyalists and dutiful children, who wholeheartedly uphold the ideology and leadership of the great leader [yongdoja] Comrade Kim Chong-il.

All party members and working people should brilliantly implement the great leader Comrade Kim Chong-il's idea of building a prosperous country by further highly displaying the vitality of the self-reliant national economy provided by the great leader [suryong].

South Korea

U.S. Considers Calling Reactors 'KEDO-Style'

SK1203233295 Seoul KBS-1 Radio Network in Korean 2100 GMT 12 Mar 95

[Report by correspondent Yi Chong-su from Washington]

[FBIS Translated Text] It has been learned that a way is now being studied to supply ROK-style light-water reactors to North Korea, but to name those reactors after the Korean Peninsula Energy Development Organization (KEDO).

Experts on Korean peninsula affairs, who exercise a considerable influence on the U.S. Government's decision making, are presently suggesting that the reactors used be ROK-style, but that they be named KEDO-style as a way to win North Korea's acceptance of ROK- style light-water reactors while allowing North Korea to save face.

In consideration of North Korea's aversion to have ROK technicians frequently entering North Korea, the experts feel a way to minimize contacts between ROK technicians and North Koreans is to have KEDO accept either the area near the Demilitarized Zone or the Najin-Sonbong Special Economic Zone as the construction site for the light-water reactors.

U.S. Official Lord Cited on DPRK 'Threat'

SK1103052795 Seoul YONHAP in English 0516 GMT 11 Mar 95

[FBIS Transcribed Text] Washington, March 10 (YONHAP)—Assistant Secretary of State for East Asian and Pacific Affairs Winston Lord said Friday [10 March] the U.S. Government should take "seriously" the North Korean threat to walk away from the Geneva nuclear agreement if it is forced to accept South Korea-model reactors.

Meeting reporters in the National Press Building, he warned if North Korea broke the nuclear program freeze to begin reprocessing the spent fuel, the U.S. Government would certainly consider "all options, and one of those would be a return to the UN Security Council. But as I say, we very much hope we won't reach that point."

He said the North Korea-claimed deadline of April 21 for conclusion of a light-water reactor supply contract between the Korean Peninsula Energy Development Organization (KEDO) and North Korea "is not a fixed date to resolve this issue, but it is a target date, and let us hope we can make progress before then."

He added he expects North Korea will change its position on the South Korean reactor model.

In a State Department press conference earlier in the day, Lord said negotiations with North Korea "are very tough, the implementation is clearly going to be tough," adding, "What is important is solidarity, particularly with our South Korean and Japanese friends... We will maintain that solidarity, including on the reactor issue."

Stressing that the U.S. Government "made it very clear that the only alternative are South Korea-model reactors" in the course of negotiations with North Korea, he said, "There's no way that North Korea could not have understood this."

He added, "We are going to have to solve this problem, and the North Koreans are going to have to accept South Korean reactors... Meanwhile, we'll work very closely and stand solidly with our South Korean, Japanese and other friends on this issue."

He said, "There is no alternative to South Korean model reactors. I mean, this is an expensive project, so financially it's just not feasible to do it any other way... And there are technical and political reasons why it has to be a South Korean reactor."

U.S. Official Demands North Halt Missile Export

SK1303121195 Seoul YONHAP in English 1201 GMT 13 Mar 95

[FBIS Transcribed Text] Seoul, March 13 (YONHAP)—The United States is much concerned about the continuing exports by North Korea of its missiles to Iran and Syria, a senior U.S. Administration official reportedly said recently.

A U.S. Embassy material released Monday indicated that Lynn Davis, under secretary of State for arms control and international security, said Washington would not normalize relations with North Korea unless such exports are halted.

The United States is also worried about the threat posed to South Korea by the conventional arms of North Korea, Davis said.

In a speech at a recent academicians meeting, the American official defended the U.S.-North Korea agreement, describing it as a good example in the U.S. effort to ensure the nonproliferation of nuclear arms.

As merits of the Geneva agreement, the under secretary said North Korea won't be able to bolt from the Nuclear Nonproliferation Treaty (NPT) without paying for it and North Korea agreed to accept more restrictions than those required of NPT member countries.

Besides, he said, the agreement has enabled the International Atomic Energy Agency (IAEA) to continue to have the responsibility for deciding matters necessary for the fulfillment of the NPT's safeguard measures.

On the criticism that the inspection period the IAEA has granted to North Korea is too long, a practice which Iran may exploit, Davis said the situation of North Korea is quite different from that of Iran.

North Korea is able to produce nuclear materials on its own and is less sensitive to economic sanction while Iran would be denied of the supply of nuclear materials from China and Russia once it secedes from the NPT or rejects IAEA inspections, Davis said.

Increased U.S. Trade Pressure, Attacks Alleged

SK1303100395 Seoul CHUNGANG ILBO in Korean 13 Mar 95 p 3

[Editorial: "Professional Countermeasure Is Needed Against Trade Offensive"]

[FBIS Translated Text] The United States is strengthening its trade pressure on the ROK this spring. It is delivering a shower of attacks against us, demanding the opening of our cable television market in addition to its demands for expanding the already opened automobile market, improving procedures for meat distribution, guaranteeing intellectual property rights, and opening the communication equipment market. The United States threatens that, unless negotiations with the ROK are held smoothly on these issues, it would designate the ROK as an unfair trade partner and refer it to the World Trade Organization [WTO] or invoke the Super 301 provision.

We believe that such a bulldozer-like offensive by the United States has been prompted for its strategic purpose. It is highly likely that the United States has launched a wholesale offensive operation in the wake of the deadline set for the end of April for designating customary unfair states in domains of financial services, intellectual property rights, and the like.

Whenever we encounter such an offensive by the United States we cannot help but feel regret. The ROK has shown a very sincere attitude to and made many concessions in trade issues with the United States. This is proven by the almost balanced trade between the ROK and the United States. The U.S. trade deficits are increasing mainly due to Japan and China. The U.S. pressure to open markets must focus on these two countries. The United States always unreasonably includes the ROK in the target group.

This can be partially attributed to our country's lack of negotiating skill. We do not have experts who can totally take charge of trade with the United States. We lack the ability to develop a logical, consistent view due to the frequent replacement of trade representatives. It has been required for a long time that the government give special incentives, such as promotion, to trade representatives to encourage them to become experts. This has not yet been put into practice. It is also needed to show an active attitude in setting and presenting our own schedule for opening, instead of being helplessly pushed by pressure by foreign countries to open our markets.

I believe there would be no reason for us to be pushed into a corner by the United States if we prepare experts with sufficient material and logic before sending them to the negotiating table.

With the inauguration of the WTO, the United States and the EU will certainly step up their market opening pressure against us in the future. It is important for the government to cooperate closely with relevant offices and unify opinions to prevent inconsistent policies. We should not make the mistake of being penalized in trade negotiations due to inconsistent remarks by different offices.

Defense Ministry Reviews Plans To Sue Lockheed

SK1303134295 Seoul CHOSON ILBO in Korean 13 Mar 95 p 4

[Report by Kyong Yong-won]

[FBIS Translated Text] The Ministry of National Defense [MND] is positively reviewing a plan to file a lawsuit against U.S. Lockheed Company, the manufacturer of the P-3C [preceding word in English] naval antisubmarine patrol aircraft, through the International Commercial Arbitration Committee, an international judicial court for commercial disputes, regarding the suspicion surrounding the loss of national funds caused by the behind-the-scenes contract on the brokerage commission of $29.75 million for the purchase of the aircraft. This was learned on 12 March.

In 1990, Daewoo Limited, which played the role of broker for this project, concluded a behind-the-scenes contract with Lockheed to receive $29.75 million from Lockheed as a commission for the sale of the aircraft. Daewoo actually received only $4 million. This means that the ROK's purchase price of the patrol aircraft is increased by $25.75 million, as Daewoo did not receive its full commission. This suspicion has prompted the MND to review this plan.

The MND and Lockheed held many negotiations over this issue since last year. However, Lockheed refused the MND's demands and as a result, the negotiations were ruptured.

Accordingly, Minister of Defense Yi Yang-ho reportedly directed MND relevant offices to review judicial measures to cope with this situation.

Defense Ministry Prepares for Possible Crisis

SK1103080195 Seoul CHUNGANG ILBO in Korean 11 Mar 95 p 2

[By reporter Kim Min-sok]

[FBIS Translated Text] The Defense Ministry has stated that if North Korea continues to reject the ROK-type light-water reactor, the DPRK-U.S. negotiations may break, bringing about a crisis in the Korean peninsula. In this connection, it was learned on 11 March that the Defense Ministry drew up a report assessing the situation. It urges that comprehensive military preparations be made to deal with this matter.

The report estimated that considering the current North Korean attitude, it seems that North Korea will not accept the ROK-type light-water reactor and it will be difficult for the 21 April deadline for concluding the light-water reactor supply agreement to be met. The report pointed out that, as a result, tension will be heightened in the Korean peninsula after mid-April.

Third Generation of DPRK Military Analyzed

SK1303055195 Seoul SEOUL SINMUN in Korean 13 Mar 95 p 6

[FBIS Translated Text] Reviewing 60 Korean People's Army [KPA] general officers who have real power in the military, we see most are loyal to Kim Chong-il or close confidants, occupying important posts both in the KPA and the party. The number of general officers in the KPA is estimated to be approximately 1,200. Among them, most general officers at the grade colonel general and above graduated from the Mangyongdae Revolutionary Institute, the Kim Il-song Military University, and the

Kang Kon Military Academy, the North Korean military's elite. Today, these general officers have formed military connections loyal to Kim Chong-il.

The Rising Third Generation

Among the main forces in the KPA, ranging from the first to the third generations of the revolution, the real power force expected to play a role in the future in support of the KPA is undoubtedly the third generation. Most of these third-generation general officers, who presently range in rank from major general (equivalent to the rank of brigade general in our army) to general, were included on the promotion list when Kim Chong-il promoted 664 general officers in his capacity as supreme commander of the KPA upon himself being promoted to the rank of marshal (on 23 April 1992), or when he promoted 99 general officers (14 lieutenant generals and 85 major generals) under "Order Number 40 of the Supreme Commander" of the KPA on the occasion of the 40th anniversary of the cease fire in the Korean War.

In particular, among these "rising stars," those whom we have to pay attention to are those general officers who also hold posts as members and candidate members of the party Central Committee.

The party Central Committee is the supreme guiding organ of the party, and is responsible for party work. Members of the party Central Committee elect members and candidate members of the Political Bureau, members of the Presidium of the party's Political Bureau, and the general secretary and secretaries of the party. They also have the prerogative to decide on the organization of the party's Secretary Bureau and Military Commission. Thus, their power is indeed very strong.

Accordingly, for those KPA general officers who also hold posts as members or candidate members of the party Central Committee, we can say they will be influential figures in North Korea in the future.

Such an observation has been proven by the fact that they were members of the state funeral committees for Kim Il-song and O Chin- u. In particular, most KPA general officers who also hold posts as members and candidate members of the party Central Committee came to the fore following Kim Il-song's announcement that Kim Chong-il would be his successor. This means Kim Chong-il implanted his men in the party Central Committee in preparation for when he would take over.

In particular, it is estimated that Kim Kwang-chin, Kim Pong-yul, Yi Ha-il, Cho Myong-nok, Kim Il-chol, Kim Myong-kuk, Yi Pong-won, Pak Chae-kyong, Kim Chong-kak, Chong Ho-kyun, and Kim Ha-kyu, who reportedly accompanied Kim Chong-il when he visited KPA units and attended rallies, are the real power holders.

Besides these military figures, Kim Chol-su, who ranked 23rd on the list for the State Funeral Committee for Kim Il-song and 20th on the list for the State Funeral Committee for O chin-u announced on 25 February, draws our attention. A figure who occupies such rank can be regarded as conspicuous when a candidate member of the party Political Bureau. However, at present Kim's personal background has not been revealed. It is estimated that Kim Chol-su is in his early fifties, that his rank is colonel general (equivalent to lieutenant general), and that he works in an important post at the General Security Bureau [howi chongguk].

There Seems No Possibility of Overall Replacement

It is not felt that the KPA will carry out a large-scale generational shift as predicted by the outside world. This is because it is difficult for Kim Chong-il to eliminate overnight the first generation of the revolution that participated in the anti- Japanese guerrilla activities led by Kim Il-song, even though he has obtained complete power.

The outside world thinks the young military elite is forcing the first generation of the revolution to leave the military. However, even if that is true, it is not easy for Kim Chong-il to treat inhospitably [holtae] the first generation because the North Korean regime has based its ruling foundation on the military dignity of Kim Il-song's anti-Japanese guerrilla struggle.

In addition to Choe Kwang, there are still many from the first generation of the revolution, namely Paek Hak-nim, Yi Ul-sol, Yi Tu- ik, Choe In-tok, Chon Mun-sop, Kim chol-man, Tae Pyong-yol, and Yi Chong-san.

The rest of them, excluding two or three, receive treatment befitting seniors. However, in actuality they have virtually retired from frontline assignments under circumstances in which the second and third generations exercise the real power. In this connection, experts point out that it is necessary to pay close attention to the fact that in the process of establishing the Kim Chong-il succession system, which began in 1973, "the three-revolution teams" also infiltrated the military as the base for establishing such a system, and have established their footing in the military. In other words, although the core part of the North Korean military is outwardly composed of a group of aged anti-Japanese guerrillas, a new elite group that buttresses Kim Chong-il is taking its position inside the military as the real power holders. Therefore, it is expected the North Korean military will not experience a complete generational shift, but instead will see the first generation of guerrillas disappear from the stage of power as they die natural deaths, or will see the first generation tender their resignations while pledging allegiance to Kim Chong-il, with Kim Chong-il accepting their resignations and filling the vacancies with second and third- generation officers.

If Choe Kwang becomes minister of the People's Armed Forces, the post of chief of the General Staff will probably be filled by one of the second-generation officers such as Kim Kwang-chin, O Kuk-yol, Yi Pong-won, Kim Tu-nam, O Yong-bang, or Chang Song-u. In other words, it is highly probablr that Kim Chong-il will have second-generation officers, who are the real power holders, actually lead the North Korean military, while offering courteous treatment to Choe Kwang, a first-generation officer of the revolution with whom Kim Chong-il maintains a personal relationship, appointing him minister of the People's Armed Forces.

North Korea's Military Will Be Unable To Call for Reform

It is highly unlikely that the North Korean military will pool its strength as a leading force for reform. As "selected men," the officers of the North Korean military enjoy various benefits in addition to their relatively high salaries; thus, they will not willingly give up their vested rights or premiums, much less advocate reform or the collapse of their political system. Because North Korea's military is under the Workers Party, it is believed it will not be easy for military circles to come to the fore and urge opening up or reform before the party makes its decision.

It Is Possible North Korea Will Provoke a Limited War

There is little likelihood the North Korean Army will provoke a war against the South, unless North Korea is faced with a much worse economic situation and is further isolated in the international community as a result of the unresolved nuclear issue. Experts also predict that it will not be easy for North Korean military circles to risk a military adventure since they cannot be convinced of their own victory under circumstances in which they are confronted with the formidable combined combat capabilities of the ROK and the United States. However, it is expected a limited war will be possible if North Korea feels it necessary to create tension for political purposes—to remove factors leading to its own internal unrest. Since North Korea is now imputing its own economic difficulties to having to increase its armaments in preparation against a possible provocation by the ROK and the United States, it is possible younger commanding officers in the North Korean military will launch a military provocation against the South out of desperation. In conclusion, although it is difficult to rule out the possibility of an accidental war, it is also difficult for North Korea to launch a total, planned military provocation against the South.

Minister Kong Views 'Reunification Concepts'

AU1003175695 Berlin NEUES DEUTSCHLAND in German 9 Mar 95 p 7

[Interview with South Korean Foreign Minister Kong No-myong by Peter Kirschey; questions were sent and received in written form: "Our Reunification Concept Is Better"]

[FBIS Translated Text] [Kirschey] Two Korean states, two reunification concepts: No compromise seems possible. Why?

[Kong] Reunification has been the highest national task in the past 50 years. Both sides claimed to be pursuing this goal and quarreled about it. Thus, the relationship between the North and the South could not improve, and no progress has been achieved in the discussion about reunification. It is not easy to initiate talks if both sides proceed from completely different ideas and values. Our concept of national unity is based on the values of freedom and democracy. It is to be completed gradually, in various stages. South Korea is trying to do the best in the current situation and to make reconciliation and cooperation possible between the two states so that it will eventually be possible to form a community on the basis of "one people, one nation, one state."

The North Korean concept, however, provides for the creation of a Koryo-confederation according to the principle "one people, one nation, two states," based on the chuche ideology and the leadership by the proletariat.

More important than the logic of the concepts is the problem as to which concept stands better chances of being realized and which brings more advantages for the public weal. If one tackles this problem seriously, our concept of gradual reunification in various stages is more suitable.

[Kirschey] The leadership in the North wants a confederation on the basis of "two governments, two systems, one people." Why don't you accept this as a beginning of the unification process?

[Kong] The North Korean concept does not provide for a transitional phase for overcoming the system-related differences. It aims at the formation of a reunited federative republic and an exchange between the North and the South, which should be followed by the quick political unification to be decided by a conference of the representatives of political and social groups form both parts of Korea.

The confederation based on "one people, two governments, two systems" should lead to the formation of one nation. The problem is not the confederation itself, but the chances of the realization of the concept and the intention that is behind this policy. Nobody can be sure that two completely different systems and governments can coexist without any problems and act as one nation, as North Korea claims.

North Korea has set more preconditions that we cannot fulfill, including the resignation of the South Korean Government, the democratization of the South, and the withdrawal of U.S. troops. For this reason, we question North Korea's intentions.

[Kirschey] Would it not be a step toward reunification if the ROK modified or abolished its national security laws?

[Kong] Depending on its special situation, every country needs its own security mechanisms. Our security laws are relevant for our country's internal order. They are not directed against reunification, as North Korea claims. We ourselves will decide whether and when we will abolish the laws. We have to take internal developments into consideration in this respect. North Korea's preconditions for dialogue and exchange—the discussion about the abolition of the security laws—is only an excuse for avoiding any contact with us.

[Kirschey] The lives and feelings of millions of North Koreans are determined by Kim Il-song and Kim Chong-il. If this bond should disappear, an internal collapse might result. How do you want to deal with such a drama in the event of reunification?

[Kong] After the death of Kim Il-song, who ruled absolutely during the past 50 years, North Korea has been in the state of a psychological collapse. Kim Il-song was like a god for the population. Now his son is being worshipped to compensate for his lacking charisma.

We are aware that the human tragedy will not be small once the North Korean population awakens from the bad dream of idolization and delusion by the two Kims after reunification. It will not be possible to prevent such tragedies altogether but we will try to keep them as small as possible. Our policy of dialogue, exchange, and cooperation is part of these efforts.

[Kirschey] The Korean people have suffered infinitely because of the war and the division. Will you ask who is to blame for that in the event of reunification, or does national reconciliation include accepting one's former enemy as a brother and Korean?

[Kong] Because of the 50 years of division, North and South Korea have developed in completely different ways in many areas. Reunification means to overcome these differences and to form a national community. To involve all Koreans in the creation of a united Korea, we submitted the reunification concept based on a national community, which would initiate reconciliation, exchange, and cooperation not after reunification but on the path toward reunification.

Official Views DPRK Response to Grain Offer

SK1103100495 Seoul YONHAP in English 0948 GMT 11 Mar 95

[FBIS Transcribed Text] Seoul, March 11 (YONHAP)—North Korea virtually rejected Friday President Kim Yong-sam's offer to supply the North with grain and other daily necessities under a long-term, low interest loan basis, again throwing cold water on expectations on improved inter-Korean relations.

Referring to the offer in a current topics commentary broadcast by radio Pyongyang Friday night, Pyongyang continued its slandering of the South by saying, "The unification issue and that of inter- Korean relations are by no means problems that can be resolved with cargo of goods."

The rejection is not quite surprising in view of North Korea's hitherto stance, government officials think.

Pyongyang rejected not only the vice ministerial talks proposed by Vice Unification Minister Song Yong-tae in January, but also the authorities' meeting to discuss the reunion of separated families the then Deputy Premier Kim Tok proposed in February.

In rejecting South Korean proposals, the North repeated their demands that the South should first apologize for its banning of the expression of condolences on Kim Il-song's death, repeal the National Security Law and suspend war exercises.

Pyongyang's insistence on these demands renders it difficult to expect improvement in inter-Korean relations any time soon.

But some officials took note of the fact that in rejecting the offer of grains, the North did not criticize President Kim personally as much as Vice Premier and Unification Minister Na Ung- pae who called for authorities' meeting to discuss the offer.

A senior official said, "It is unusual that the North staged the offensive of criticism not against the South Korean offer itself, but against the expression of a stand that a meeting must be held between the authorities of the two Koreas to materialize the offer."

"This could be taken as leaving a room for possible change in Pyongyang's attitude toward improved inter-Korean relations while not revealing its real intention," the official speculated.

Acutely suffering from food shortage in recent years, the North might find the offer of grain and other daily necessities worthy of serious consideration, according to the official.

As Kim Chong-il apparently has to dispel popular grievances by solving the food problem, another official said, North Korea might have used a roundabout tactics of criticism, instead of rejecting the offer outright.

Judging from the fact that Pyongyang refrained from mentioning President Kim's offer directly, the possibility cannot be ruled out that the North may accept the offer depending on improvements in the inter-Korean relations.

DPRK Reportedly Imports ROK Weed Killer

SK1103224395 Seoul KBS-1 Radio Network in Korean 2105 GMT 11 Mar 95

[FBIS Translated Text] It has been learned that North Korea, facing a serious food crisis, is importing an ROK weed killer via the PRC.

In a report entitled "A Study of Methods for South-North Agricultural Cooperation," Dr. Kim Won-kun and his research group at the Rural Economy Institute stated: North Korea is extremely short of farming material such as fertilizers, agricultural chemicals, and farming machines; this is a great barrier to North Korean agriculture.

North Seeks Diplomatic Ties With Britain, Canada

SK1303140895 Seoul MUNHWA ILBO in Korean 13 Mar 95 p 2

[Article by Han Chong-ho]

[FBIS Translated Text] It has been learned that in an effort to strengthen its diplomatic activities with Western countries, North Korea is actively accelerating negotiations with Britain and Canada to normalize diplomatic relations.

An government official concerned stated on 13 March: "We understand that North Korea has recently sounded out Canada through contacts with diplomats stationed in the United Nations in New York on the possibility of establishing normal relations and that it has also expressed its willingness to establish relations with Britain through diplomatic channels."

Such moves by North Korea seem to be part of its efforts to establish diplomatic relations with European and North American countries such as Germany, Austria, Sweden, and Canada in the wake of the improvement of North Korean-U.S. relations.

Our government has shown a prudent reaction to these moves by North Korea, stating: "It is indispensable for our allies, such as Britain and Canada, to contact us before establishing diplomatic relations with North Korea. In particular, Britain will have to consult with the EU in advance. Therefore, it is difficult to predict the immediate establishment of diplomatic relations between them and their realization will take time."

North Korea established its International Maritime Organization mission in London, Britain in April 1991. North Korea sent a North Korean Workers Party delegation to the 42d Congress of the British Communist Party in November 1993. In February 1995 Hwang Chang-yop, secretary of the North Korean Workers Party, met (Erick Trebet), general secretary of British New Communist Party, in Copenhagen. Thus, it has accelerated diplomatic activities with left wing British political parties.

North Korea made unofficial general consul-level contacts in Beijing with Canada in 1990 to sound out the possibility of establishing diplomatic relations with this country. In June 1991, however, through then Canadian ambassador to the ROK, Canada revealed its official position that "it has no intention of improving relations with North Korea unless there is meaningful progress in inter-Korean dialogue."

The International Taekwondo Federation led by Choe Hong-hui, a pro-North Korean figure, is located in Toronto, Canada, and the Canadian headquarters of the National Alliance for the Country's Reunification is also very active in Canada. Therefore, we cannot say that Canada does not maintain any relations with North Korea.

In 1991 North Korea held contacts with Canada in order to import approximately 600,000 tonnes of grain. Last August a CBS broadcasting team of Canada visited North Korea with a British BBC broadcasting team.

DPRK External Economic Cooperation Plans Noted

SK1203062395 Seoul HANGYORE SINMUN in Korean 12 Mar 95 p 6

[By reporter Kang Tae-ho]

[FBIS Translated Text] North Korea's maneuvers for economic cooperation with foreign countries have become very active. Besides plans by U.S. enterprises to advance into North Korea as a result of the eased restrictions on trade with and investment in North Korea following the adoption of the Geneva agreement, European banks are promoting the establishment of joint-venture banks in North Korea. North Korea is also planning to establish a North Korea-Germany Chongsan Barter Trade Company in cooperation with a German firm. A Finish insurance company is trying to establish its business in North Korea, and Australia intends to send a trade delegation to North Korea. This shows the visible results of North Korea's external economic cooperation.

In particular, the Japanese economic sector, which is experiencing a brief standstill during its period of vitality, will send a large investment study group to North Korea in May; this is attracting public attention. The East Asia Trade Institute composed of 20 Japanese companies—including large enterprises such as Mitsui, Mitsubishi, and Nissan—plans to send a large investment study group to the Najin-Sonbong Free Trade Zone in North Korea. This is the first time an investment study group of Japanese enterprises representing the Japanese economic sector will visit North Korea since the Geneva agreement was adopted in October 1994.

According to sources, Vice Chairman of the Japanese Trade Institute Aikawa Liichi [name as transliterated] will lead the Japanese investment study group, which will visit North Korea around May. The Japanese institute is discussing procedures for dispatching its group to North Korea with both the Korea-Japan Import-Export Corporation headed by Director Pak Ung-song, which plays the role as a North Korean trade mission in Japan, and the International Trade Promotion Committee of North Korea's State Administration Council, whose chairman is Cho Won-myong.

In fact, businessmen from the General Association of Koreans Residing in Japan and several large Japanese enterprises have reportedly already visited North Korea to conduct a local industrial study on investing in the North. Accordingly, it is likely the Japanese investment study group to be dispatched to North Korea in May will sign practical investment agreements with North Korea.

Reviewing North Korea's external economic cooperation by field, U.S. enterprises have the upper hand in communication and resources development. The U.S. telephone company MCI has been designated to take charge of telephone business management; the U.S. communication equipment company Delta Source has been designated to take charge of communication equipment and facilities. Representatives of the two U.S. companies visited North Korea in mid-February 1994 as members of a delegation of U.S. enterprises led by James Zumwalt, former U.S. aide to the State Department on human rights.

Meanwhile, it seems European banks have the upper hand in the financial sector. In January, North Korea and the Netherlands' ING Bank agreed to jointly establish the ING Northeast Asia Bank, investing $15 million. In February, Britain's Perigreen Investment Corporation and North Korea's External Economic Committee as well as its Central Bank agreed to establish the Perigreen-Taesong Bank in North Korea.

Viewing these moves made by North Korea, it is believed that conditions are being created for the resumption of trade and economic cooperation with foreign countries, most of which were suspended in the early 1980's due to North Korea's inability to repay foreign loans. North Korea reportedly proposed to Japan last year that it liquidate a trade bond totalling 80 billion yen, which had been a barrier to expanding trade between the two countries, in installments over 15 years with a 10-year grace period. It is highly possible the East Asia Trade Institute delegation will settle this matter.

The agreement between Germany's Chongsan Barter Trade Company and North Korea's Export Promotion Committee on establishing the North Korea-German Chongsan Barter Trade Company is closely linked to this. Germany's Chongsan Barter Trade Company has a claim of 14 million DM [Deutsche Mark] against North Korea. Accordingly, the German side plans to call in the existing bond through an expansion of trade with North Korea, while North Korea plans benefit from exporting its products and importing machines and facilities to replace its old ones, using the joint-venture trade company as a German trade mission.

The plan by Finland's Warrant Organization to establish its insurance business in North Korea can be understood along the same line. That is, it is necessary to prepare a device that prevents North Korea from defaulting on loans as it did in the past so as to resume economic cooperation and trade with North Korea in the future. According to the Korea Trade Promotion Corporation, in light of the fact that lately North Korea has been increasing contacts with Finnish enterprises to purchase various facilities, including mining facilities to replace its old ones, the Warrant Organization has recently expressed its willingness to sell export guarantee insurance to North Korea on a project or purchasing case basis.

Meanwhile, Australia is likely to try to establish diplomatic relations with North Korea, sending investment study groups to North Korea and expanding economic cooperation with the North.

North Korea and Australia, whose diplomatic relations were broken off in October 1975, held a series of secret contacts in 1994, their diplomats in Southeast Asian countries representing the two sides. In January, North Korean Premier Kang Song-san sent an official message to his Australian counterpart Paul Keating, stressing the need to improve relations between the two countries; thus, moves to establish diplomatic relations between North Korea and Australia were noticed by the public.

North Plans To Reorganize N-S Economic Channels

SK1303041195 Seoul HANGUK ILBO in Korean 13 Mar 95 p 2

[By reporter Yi Chae-yol]

[FBIS Translated Text] It was learned on 12 March that North Korea recently decided to reorganize its bodies for economic cooperation with South Korea and inaugurate the "General Bureau for External Economic Cooperation," a new organization in charge of economic cooperation with foreign countries, before the end of this week.

According to a report by a Beijing-based general trade company, North Korea plans to merge the Koryo National Industrial Development Council and the Committee for the Promotion of External Economic Cooperation—which serve as channels to the South—into the General Bureau for External Economic Cooperation that will resume recently-suspended contacts with the South.

Accordingly, it is expected South-North economic cooperation, which has been frozen since major ROK enterprises visited North Korea in January, will again be activated. At present, 10 companies have submitted applications to visit North Korea.

The North Korean authorities have been pushing ahead with the reorganization of its channels to the outside, believing the division of the southward channel into the Koryo National Industrial Development Council and the Committee for the Promotion of External Economic Cooperation caused various adverse effects, such as excessive competition between the two North Korean organizations to obtain investment from ROK enterprises and confusion among ROK enterprises.

The General Bureau for External Economic Cooperation will be under the control of the External Economic Committee headed by Chairman Yi Song-tae. Im Tae-tok, 49, vice chairman of the Committee for the Promotion of External Economic Cooperation, is likely to be appointed director of the new general bureau. Officials of the Beijing-based general trade company anticipate that, with the appointment to the post of general bureau director of Im Tae-tok—vice chairman of the Committee for the Promotion of External Economic Cooperation, which was created to develop the Najin-Sonbong region, and director-general of the Korea Economic Development Corporation—North Korea's external economic cooperation will be developed with the Najin-Sonbong region as the center.

As a result of this reorganization, Kim Chong-u, chairman of the Committee for the Promotion of External Economic Cooperation, and Yi Song-nok, chairman of the Koryo National Industrial Development Council, will step back as vice directors of the General Bureau for External Economic Cooperation; all organizations under the control of these two external cooperation bodies will be absorbed into the general bureau; and the Koryo National Industrial Development Council's office in Beijing will become the Beijing mission of the General Bureau for External Economic Cooperation.

With the planned inauguration of North Korea's new economic cooperation body, 10 ROK groups—including Hyosong, Cheil Sugar, Tusan, and Kia Intertrade, all of which submitted applications for visits to North Korea—have set out on selecting a business to cooperate with North Korea, assuming they will soon have government approval to visit North Korea. It seems the Hyundai Group, whose permit for a visit to North Korea expired on 10 March, will reapply for a new permit.

PRC Requested To Commit to Armistice Status

SK1303081395 Seoul KYONGHYANG SINMUN in Korean 13 Mar 95 p 2

[Report by Yi Pyong-kwang]

[FBIS Translated Text] In the wake of the ROK-PRC meeting of working-level officials in charge of Asia-Pacific affairs held in Seoul on 13 March, the ROK Government will reportedly ask China to commit itself in writing that the ROK is the party directly concerned in the Armistice Agreement.

The government reportedly plans to establish a clause that says "the replacement of an armistice system with a peace system must be directly negotiated between the North and South and must also be pursued in the way the countries concerned, the United States and China, confirm" in meeting records, thereby confirming ROK's status as the party directly concerned in writing.

A Foreign Ministry official stated on 12 March: "China has maintained a stance that the Armistice Agreement, which was signed in 1953, must be abided by on the Korean peninsula before a new peace agreement is signed" and maintained "even China has recognized our government's status as the party directly concerned." He further revealed "during Premier Li Peng's visit to the ROK last year, China indicated that the ROK, North Korea, China, and the United States are the interested parties to the changeover of the Armistice Agreement," and added "the ROK would be able to strengthen its position in the international community by having China commit itself in writing that the ROK is the party concerned in the Armistice Agreement."

The ROK Government's decision is followed by China's recent change of heart toward North Korea's moves to destabilize the armistice system. China has summoned its delegates back from the Neutral Nations Supervisory Commission [NNSC] and turned down Poland's request for its NNSC members to stay in Beijing.

Firms Agree To Train North Technicians in PRC

SK1003050095 Seoul KYONGHYANG SINMUN in Korean 10 Mar 95 p 2

[By reporter Yi Sung-chol]

[FBIS Translated Text] It has been learned that some ROK companies engaged in processing-on-commission trade with North Korea have agreed to invite North Korean technicians for technological training in the PRC and are now pushing ahead with this.

A high-ranking government official stated on 9 March that "technological training is necessary for processing on commission," and added: "I understand that large business groups, which recently visited North Korea, have agreed with North Korea to train North Korean technicians in China because North Korea is reluctant to allow ROK technological trainers to visit North Korea."

LG, Samsung, Daewoo, Sinwon, Hyosong, Kolon, and Tusan Groups are now engaged in processing-on-commission trade with North Korea. They have been searching for a way to train the low-level North Korean technicians in North Korea, but failed to do so because of North Korea's opposition.

Processing-on-commission trade with North Korea amounted to $15 million in 1994. The government official said: "It seems that the initial stage of excessive competition among ROK companies over South-North economic cooperation has ended." He continued: "All that remains for domestic companies to do in South-North economic cooperation, is to increase processing-on-commission trade with North Korea."

Regarding foreign investment in North Korea, he stated: "Tensions on the Korean peninsula must first be eased; and ROK companies should be given priority in investing in North Korea." He then continued: "It is expected that for the time being, foreign companies will merely conduct market surveys in North Korea and conduct simple exchanges, such as trade on a barter system, instead of investing a lot of money in North Korea."

Japanese Political Delegation Plans DPRK Visit

SK1303091995 Seoul YONHAP in English 0904 GMT 13 Mar 95

[FBIS Transcribed Text] Tokyo, March 13 (YONHAP)—A delegation of Japan's ruling tripartite coalition plans to visit North Korea on March 16, Yoshiro Mori, secretary-general of the Liberal Democratic Party [LDP], said Monday.

Ho Chong-man, first vice chairman of Chochongnyon [General Association of Korean Residents in Japan], the pro-Pyongyang organization of Korean residents in Japan, visited Mori Monday morning at the LDP headquarters to formally convey their invitation from the North Korean Government.

Japan's Social Democratic Party and new party Sakigake, the remaining members of the coalition, have already received their invitations.

The LDP secretary-general told Ho that "we plan to visit North Korea on March 16. The three parties in the coalition will form a joint delegation for the visit, and we have asked former Foreign Minister Michio Watanabe to lead the delegation."

Ho consented, thus agreeing to a visit by a delegation headed by Watanabe.

"I believe the parliamentary delegation of the Japanese ruling coalition will contribute to peace and stability in East Asia," Ho stated. "Although unfortunate period temporarily existed between Pyongyang and Tokyo, they should make efforts to improve their bilateral relations. From my heart I welcome the visit to Pyongyang by the Japanese delegation."

The invitation from Kim Yong-sun, secretary of the North Korean Workers' Party in charge of international affairs, says, "We invite a high-level Japanese delegation to discuss the issue of normalizing the Tokyo-Pyongyang relations. As for the delegation members, we ask for the dispatch of politicians in the leading position of ruling coalition."

Meanwhile, the ruling coalition plans to discuss how to select the delegation members as well as how to prepare for the expected joint declaration of the three parties—Japan's Liberal Democratic Party and Social Democratic Party and North Korea's Workers' Party.

On Monday afternoon, Watanabe, former Prime Minister Noboru Takeshita, Mori and chairman of LDP's political research council Koichi Kato plan to discuss what measures to take with the South Korean Government in relation to the visit.

Mission to DPRK 'Inappropriate'

OW1303130795 Tokyo KYODO in English 1222 GMT 13 Mar 95

[FBIS Transcribed Text] Seoul, March 13 KYODO—South Korea on Monday [13 March] called plans by Japan's ruling coalition parties to dispatch a mission to North Korea later this week "inappropriate," even as final adjustments are being made in Tokyo for the visit.

"Currently, with the North strongly refusing to accept South Korean light water reactors and South-North dialogue stalemated, a visit to North Korea is inappropriate at this time," a South Korean Foreign Ministry official told KYODO NEWS SERVICE.

But despite Seoul's stance on the issue, the ministry official said they did not think the visit carries "extraordinary meaning," since the coalition mission is not an official government mission and it will be difficult to make progress on resuming stalled normalization talks.

The coalition had hoped that the dispatch of the mission, comprising members of the Liberal Democratic Party (LDP), the Social Democratic Party (SDP) [Social Democratic Party of Japan—SDPJ] and New Party Sakigake, would eventually lead to the reopening of talks to establish diplomatic relations between Tokyo and Pyongyang.

South Korean President Kim Yong-sam voiced his concern over the mission to Prime Minister Tomiichi Murayama during their meeting over the weekend in Copenhagen.

According to South Korea's YONHAP NEWS AGENCY, Tokyo has reportedly told the South Korean Government that the visit to North Korea by politicians has no relation to the official stance of the Japanese Government.

The South Korean Government is not opposed to efforts by Japan to resume normalization talks with North Korea, but officials said they fear that Pyongyang may misinterpret the visit and think that it can bring down the Japan-South Korea-U.S. alliance.

Japan, South Korea, and the United States are the three principal nations in the recently launched Korean Peninsula Energy Development Organization (KEDO) that are demanding Pyongyang accept nuclear reactors from South Korea as part of a deal worked out with the U.S. last October.

Tokyo and Pyongyang began talks on normalizing ties in January 1991, but negotiations broke down in November 1992 when Pyongyang rejected Tokyo's demand for information about a Japanese woman allegedly abducted from Japan by North Korean agents.

Parties Plan To Reschedule Visit

SK1303010295 Seoul YONHAP in English 0042 GMT 13 Mar 95

[FBIS Transcribed Text] Tokyo, March 13 (YONHAP)—Faced with strong opposition from South Korea and internal dissent, Japan's three ruling coalition parties plan to reschedule the departure date to North Korea of a delegation tasked to urge the resumption of rapprochement talks.

The Liberal Democratic Party (LDP), the biggest group of the three coalition parties, was to dispatch the delegation to Pyongyang Thursday [16 March] this week.

As President Kim Yong-sam expressed concerns about the timing of the mission's visit to North Korea in his summit meeting with Japanese Prime Minister Tomiichi Murayama in Copenhagen over the weekend, however, the party now thinks it will take time to solicit Seoul's understanding.

In addition, the coalition ruling parties - the LDP, the Social Democratic Party of Japan and the New Party Sakigake - are yet to iron out their differences of view on a 1990 joint declaration by the North Korean Workers Party, Japan's Liberal Democratic and Social Democratic Parties stipulating "compensations for 45 years after the end of World War Two."

The Liberal Democratic Party is studying a plan to send to Seoul a senior official in a bid to obtain Seoul's understanding, acknowledging that consultation should have taken place with South Korea on the matter in advance.

As for the tripartite joint declaration, the Liberal Democratic Party maintains that the mission should be dispatched with its interpretation withheld. But the social Democratic Party of Japan contends the declaration must be respected in principle, and the New Party Sakigake maintains that "the views of the coalition parties should be unified before the mission leaves for North Korea."

In his letter of invitation addressed to the Japanese coalition parties, Kim Yong-sun, secretary of the Workers Party in charge of international affairs, reportedly said, "Welcoming a visit to North Korea of a delegation comprised of responsible leaders, I, having been commissioned, invite a high-level delegation to visit North Korea." Kim Yong-sun thus indicated he was extending the invitation instructed by de facto leader Kim Chong-il, the daily YOMIURI SHIMBUN reported.

Japan-North Diplomatic Ties Talks Issue Viewed

SK1103124695 Seoul HANGUK ILBO in Korean 11 Mar 95 p 5

[Article by Yi Chae-mu from Tokyo: "Japan's Intent To Check the U.S. Lone Approach to Pyongyang"]

[FBIS Translated Text] Japan is willing to resume negotiations with North Korea on normalizing diplomatic relations as it awaits the official formation of the Korea Energy Development Organization [KEDO]. With the impending resumption of negotiations with North Korea, the Japanese ruling parties on 10 March decided to send their delegation to Pyongyang toward the end of this month to create a favorable climate for dialogue between Japan and North Korea.

Japan's attitude is not unexpected. As the United States moves rapidly to improve relations with North Korea—including the establishment of diplomatic relations—by resolving the North Korean nuclear issue last year, Japan—concerned that it may lose its chance to advance into North Korea—has held secret meetings with North Korean diplomats in New York, Beijing, Geneva, and Vienna. North Korea has, however, ignored Japan's proposal to hold a dialogue, while attaching importance to establishing diplomatic relations with the United States.

By the way, through an official of the General Association of Korean Residents in Japan, in November 1994, North Korea informed Japan of its intention to invite a delegation of the three Japanese ruling parties—the Liberal Democratic Party [LDP], the Japan Socialist Party [JSP], and Sakigake. This was intended to regard the ruling coalition parties as a channel for negotiations on normalizing diplomatic relations with North Korea, instead of the Ministry of Foreign Affairs. North Korea's selection of the Japanese ruling coalition parties as a party to the dialogue is based on its intent to guarantee the implementation of the "joint declaration of the three parties" agreed between the delegation of the LDP and JSP and the Workers' Party of Korea [WPK] when it visited Pyongyang in September 1990. The delegation of the LDP and JSP promised North Korea at that time that it would compensate North Korea for damages the Korean people endured during the 45 years of colonial rule.

As a conflict had been raised among the LDP, JSP, and Sakigake as regards the implementation of the "joint declaration of the three parties," the Japanese ruling coalition parties sent their senior officials to the ROK to coordinate opinions concerning the issue. Because of this, however, North Korea refused the visit by the delegation of the Japanese ruling coalition parties some time ago.

Since then, the two sides have temporarily suspended their contacts. However, a close aide to WPK Secretary Kim Yong-sun secretly met with a senior official of the Ministry of Japanese Foreign Affairs in Singapore in mid-February and discussed the resumption of negotiations on establishing diplomatic relations. During the meeting, the North Korean side once again made a proposal to invite the delegation of the Japanese ruling coalition parties.

The reason Japan is willing to accept the North Korean invitation is because the United States is taking the lead in improving relations with North Korea, while agreeing with Pyongyang to establish liaison offices, including the step to relax its economic sanctions against North Korea. Also, it has been assessed that Japan was encouraged by the economic advances of the ROK and the United States into North Korea, including the ROK and U.S. survey teams sent to the Free Trade Zone in Najin and Sonbong in December of last year.

However, even if negotiations between Japan and North Korea are resumed, it is difficult to expect a satisfactory settlement in a short period. No changes of positions have taken place between Japan and North Korea since the eighth round of the November 1992 meeting in which they failed to discuss the establishment of diplomatic relations. Rather, the postwar compensation issue raised by the joint declaration of the three parties caused the suspension of negotiations between the two countries. Japan says it will provide a support fund [chiwongum] to the KEDO as part of the postwar compensation [chonhu posangui ilhwanuro], while North Korea has maintained that the support fund for the KEDO is different from the postwar compensation.

Caution Urged in DPRK-Japan Normalization

SK1103053195 Seoul YONHAP in English 0522 GMT 11 Mar 95

[FBIS Transcribed Text] Seoul, March 11 (YONHAP)—South Korea called on Japan to take into consideration the pace of the implementation of nuclear deal between Washington and Pyongyang in proceeding with plans to resume dialogue with North Korea on normalizing relations, according to a Foreign Ministry official Saturday [11 March].

"We called on the Japanese Government to proceed with the normalization talks while closely watching a change in North Korea's strong opposition to South Korean standard reactor models," said the official.

"We also reaffirmed our position that South Korea will not oppose Japan holding normalization talks with North Korea as long as the talks are pursued in a way that helps the North's openness and contributes to peace and stability in the Korean peninsula," said the official.

South Korea has been maintaining close contacts with Japan on the issue and Japan will not isolate South Korea in proceeding with normalization talks with the North, said the official, adding that the Japanese Government recently informed South Korea of its intention to send a parliamentary delegation to North Korea soon to discuss establishing diplomatic relations.

The official, however, said that the Foreign Ministry will not respond officially to the attempt by Japan to reopen normalization talks because the talks are being sought by Japanese parliamentary members rather than by the Japanese Government.

Talks on normalizing relations between North Korea and Japan have been suspended since 1992 when Pyongyang refused to provide information on a Japanese woman allegedly kidnapped by North Korea.

Since then, the two sides have contacted with each other unofficially several times to look into the possibility of reopening the normalization talks. One of them was recently made in Singapore with director-general level officials of each country attending.

Japan Promises Cooperation on Inter-Korean Talks

SK1303121595 Seoul YONHAP in English 1206 GMT 13 Mar 95

[FBIS Transcribed Text] Seoul, March 13 (YONHAP)—Japan has informed South Korea it would closely consult with Seoul on matters related to the possible resumption of rapprochement talks with North Korea, it was learned here on Monday.

A Foreign Ministry official said that in the notification, the Japanese Government said the planned visit to Pyongyang by a delegation of the Japanese coalition ruling parties has nothing to do with the policy of the Tokyo government.

The visit slated for March 16 is merely part of partisan activities, Japan said.

"The Tokyo government said it fully understands the concern expressed by the South Korean Government over the Japanese move to resume normalization talks with North Korea at this delicate time when negotiations are about to begin with North Korea for the supply of light-water reactors," the official said.

In the notification, he said, Japan said it would be careful lest any action it would take should undermine the position of the Korean Energy Development Organization (KEDO) in its dealings with North Korea.

Japan promised it would explain about these to delegation members and would have them consult with the Tokyo government with regard to their activities in North Korea, the official added.

North Attempt To Obtain Rice From Japan Noted

SK1003010495 Seoul KBS-1 Radio Network in Korean 0000 GMT 10 Mar 95

[Report by Tokyo-based correspondent Yi Il-hwa]

[FBIS Translated Text] It has been learned that a cadre from the Workers Party of North Korea, which is suffering from a serious food shortage, secretly asked a high-ranking cadre of the Liberal Democratic Party [LDP] of Japan to supply rice to North Korea.

SANKEI SHIMBUN of Japan reported today that in August of last year North Korea sent a close confidant of Kim Yong-sun, a secretary in the North Korean Workers Party, to an LDP official who was then visiting Beijing to ask the Japanese party official to supply rice to North Korea.

SANKEI SHIMBUN reported: The North Korean official, revealing the difficult food situation in North Korea, expressed his hope to purchase 500,000 tonnes of rice from Japan on a long-term low-interest basis.

In this regard, the LDP official discussed with Japan's Ministry of Foreign Affairs a way to send rice imported from Thailand to North Korea. However, discussions on this matter with the Ministry of Foreign Affairs were temporarily suspended when the North Korean nuclear issue became international.

Beijing, Seoul, Tokyo Exchange Cooperation Note

SK0803084595 Seoul YONHAP in English 0811 GMT 8 Mar 95

[FBIS Transcribed Text] Seoul, March 8 (YONHAP)—The municipal governments of Seoul, Beijing and Tokyo have exchanged "The Note for BESETO (Beijing-Seoul-Tokyo) Cooperation" aimed at promoting exchanges and cooperation for their common prosperity, the Seoul City Government announced Wednesday [8 March].

According to the note, which was signed by Seoul Mayor Choe Pyong-yul, Beijing Mayor Li Qiyan and Tokyo Governor Shunichi Suzuki, the three cities will actively support exchanges and cooperation of the private sector for their common prosperity in the 21st century.

A delegation of the Seoul City government visited Beijing and Tokyo between Feb. 22-28 to meet the mayor and the governor, and agreed to sign and announce the note on March 8.

With the exchange of the note, the three capitals will discuss detailed ways for cooperation in the near future, an official at the Seoul City government said.

He said that Seoul is studying plans to annually hold a meeting of the mayors and the governor and inaugurate a permanent cooperative organization of the three capitals.

In particular, the city plans to hold a "BESETO" exhibition of photographs and calligraphic writings, a ceramic art exhibition and a goodwill volleyball match here in October or November this year, according to the official.

Seoul Seeks To Attract More Japanese Companies

OW1303134495 Tokyo KYODO in English 1304 GMT 13 Mar 95

[FBIS Transcribed Text] Seoul, March 13 KYODO—South Korean Deputy Prime Minister Hong Chae-hyong said Monday [13 March] the nation wants to attract more Japanese business corporations given the yen's recent rise, government officials said.

Hong, also finance and economy minister, said at a meeting with officials of the ruling Democratic Liberal Party that South Korea's economy will be stimulated if it can attract the advanced technology of Japanese companies, they said.

Hong said the government will send an official mission to Japan as early as April to seek investment.

Also, the South Korean Government will give special treatment to Japanese corporations to begin operations in industrial areas in the southern city of Kwangju and the central city of Chonan, they said.

The government has also been considering easing taxation for foreign investors, under which the tax rate for Japanese companies investing in South Korea will be reduced or exempted, they said.

Mutual Securities Firms Accord for Tokyo, Seoul

SK1003120495 Seoul YONHAP in English 1126 GMT 10 Mar 95

[FBIS Transcribed Text] Seoul, March 10 (YONHAP)—Two each South Korean and Japanese securities companies were allowed Friday to do business in each other's countries under the principle of reciprocity.

The Dongsuh Securities and Ssangyong Investment and Securities Cos. were given permits by the Japanese Finance Ministry to set up branches in Tokyo.

In return, South Korea allowed the Nikko and Nomura Securities of Japan to upgrade their representative offices in Seoul into branch offices.

So far Korea Investment and Securities Co. has been in business in Japan since September 1993 and Daiwa Securities of Japan in South Korea since March 1993.

President's European Tour, Diplomacy Discussed

SK1303103495 Seoul YONHAP in English 0845 GMT 13 Mar 95

[FBIS Transcribed Text] Brussels, March 13 (YONHAP)—South Korean President Kim Yong-sam's ongoing trip to six European countries is significant as he has expanded the horizon of summit diplomacy and consolidated the basis of substantive economic diplomacy in accordance with the country's national objective for globalization.

President Kim's official visits to five European countries started from France (March 2-4), then to the Czech Republic (March 4-5), Germany (March 5-8), Britain (March 8-10) and Belgium (March 12-14) and included participation in the United Nations World Summit for Social Development (WSSD) held in Copenhagen, Denmark on March 11-12.

Observers here said that President Kim's summit diplomacy with the European countries and his participation in the world summit have elevated his "new diplomacy" onto the right track by soliciting diplomatic support from European countries in major issues such as the

North Korean nuclear issue and South Korea's bid for a non- permanent seat in the United Nations Security Council (UNSC).

A government official accompanying Kim said the president's summit diplomacy has been instrumental in expanding industrial, scientific and technological cooperation with the advanced countries which is needed to heighten the nation's international competitiveness.

Of all his achievements, the most significant is that he has cemented the basis for cooperation with the European Union (EU), the largest single economic bloc in the world, in the fields of investment and science and technology.

Kim provided a momentum for constructing the basis for comprehensive relations between South Korea and the EU through the adoption of a joint statement with France and a joint communique with the EU.

He particularly worked out concrete ways to reinforce political and economic cooperation through summit talks with French President Francois Mitterrand, German Chancellor Helmut Kohl, British Prime Minister John Major, Czech President Vaclav Havel and Belgian Prime Minister Jean-Luc Dehaene.

In talks with the European leaders, Kim secured their support for South Korea's bid to become a member country of the Organization for Economic Cooperation and Development (OECD) and South Korea's advance towards non-permanent membership in the UN Security Council.

In France, he confirmed the Seoul-Paris cooperation in the state- of-the-art areas of electronics, automobiles, machinery, chemical and aerospace technology and reached an agreement for France to transfer its high-speed railroad technology of TGV (Train a Grande Vitesse) to South Korea while seeking their joint advance into third countries with the TGV technology.

While in Germany, he agreed to raise the South Korea-Germany basic science cooperation fund to 10 million U.S. dollars to expand their science and technology exchanges.

Kim held more concrete discussions in Britain on the issue of trade and industrial cooperation. The two countries agreed to implement the industrial cooperation accord that will match South Korea's industrial technology to Britain's high-technology.

In a meeting with Prime Minister John Major, Kim agreed to raise a 1.6-million-dollar scholarship fund to encourage joint scientific research activities between their countries.

During his trip to the Czech Republic, he agreed that South Korean businesses will take part in the privatization of the republic's state-run automobile and communications industries.

In addition to the cited "sales diplomacy," President Kim made achievements in securing international support in major diplomatic issues such as the North Korean nuclear issue, South Korea's advance into the UN Security Council and the membership of the OECD, inter- Korean relations, and the fostering of a base for Korean reunification.

The summit leaders from France, Britain and Germany promised Kim to maintain their close cooperative relations with South Korea to deter North Korea's nuclear ambition and expressed their willingness to participate positively in the Korean peninsula Energy Development Organization (KEDO).

The Czech Republic expressed written support for the South Korean Government's bid to become a non-permanent member of the UNSC and other summits also responded favorably on the issue.

President Kim succeeded in winning international support for South Korea's national unification policy. His visit to Berlin and speech there was a symbolic occasion to declare South Korea's intention to realize peaceful national reunification.

Through his summit diplomacy at the world summit in Copenhagen, Kim expanded the base for multilateral diplomacy by reinforcing friendly relations with other developing countries.

In a keynote speech at the world conference, Kim declared to increase South Korea's official development assistance (ODA) to economically aid less developed countries.

In Copenhagen, he held separate meetings with Japanese Prime Minister Tomiichi Murayama and Chinese Premier Li Peng, intensively discussing major international issues including the situation of the Korean peninsula.

He held in-depth discussions with leaders from 13 other developing countries including Peruvian President Alberto Fujimori during a luncheon he hosted at the SAS Scandinavia Hotel in the Danish capital.

Kim's meeting with the leaders of the developing countries is the first multilateral summit gathering South Korea has ever arranged, an official of the Foreign Ministry said.

Kim Yong-sam Interview on International Relations

SK1303014595 Seoul YONHAP in English 0131 GMT 13 Mar 95

[FBIS Transcribed Text] Brussels, March 13 (YONHAP)—South Korean president said Monday [13 March] that he is not opposed to the improvement of relations between the United States and North Korea if it is harmonized with the progress of inter-Korean relations.

Referring to South Korea's relations with China, Kim said that there are no pending issues of dispute between the two countries, and expressed hope that Russia will contribute to the process of Korean reunification.

Kim made the points in a written interview with the Belgian newspaper, LE SOIR, while answering questions to such issues as inter-Korean relations, South Korea's relations with major powers surrounding the Korean peninsula, domestic politics of South Korea and economic affairs.

Asked about the diplomatic relationship between Washington and Pyongyang, Kim replied that the United States is still taking comprehensive restrictive measures on North Korea although it partially eased sanctions against the socialist country.

He claimed that the normal U.S.-North Korean relation should be preceded by the solution of such North Korean problems as the resumption of inter-Korean dialogue, disarmament, missile export, production of chemical weapons, terrorism and human rights as well as the settlement of nuclear issues under the frame agreement reached in Geneva last October between the United States and North Korea.

Kim then said he is not opposed to the improvement of relations between the United States and North Korea if it is matched and paralleled with the progress of inter-Korean relations because North Korea's joining the international community through openness would contribute to fostering conditions for peace and stability on the Korean peninsula.

In connection with South Korea-China relations, he said that for the moment there is no element of dispute that would produce a negative effect on their bilateral relations and foresaw that China will continue its reformative and open policy in the future. He also observed that South Korea and China are expected to further promote their mutual cooperation in all areas including political, diplomatic, economic and military fields.

As for South Korea's relations with Russia, he asserted that Russia is a very important economic partner of South Korea's, as well as an ally in the political and security sectors.

He expressed hope that Russia, which maintains diplomatic relations with both Koreas, makes a contribution to the process of peaceful unification of the Korean peninsula.

Turning to Seoul-Washington relations, he foresaw that the security cooperation between the two countries is expected to continue even after Korean unification as well as during the process of Korean unification.

The purpose of his current trip to Europe, he noted, is to increase cooperative relations with the countries of the European Union (EU).

Body of Boat Captain Departs Moroccan Port

SK1303072495 Seoul YONHAP in English 0623 GMT 13 Mar 95

[FBIS Transcribed Text] Seoul, March 13 (YONHAP)—The body of a South Korean skipper, who was shot to death by the Moroccan maritime police in waters near Morocco late February, left Sunday the Moroccan port city of Dakhla near the tragic scene for Seoul, according to a spokesman for the Ministry of Foreign Affairs Monday.

The body of Yi Won-ho, contained in an aluminum refrigerator container, is expected to arrive in Seoul via Agadil city, located between Dakhla and the Moroccan capital of Rabat, and Las Palmas where regular direct flight services to Seoul are available, according to the spokesman.

Considering the flight time including stopovers, the body will likely arrive in Seoul this coming weekend, said the spokesman.

Consul Yim Kun-hyong, who was dispatched to Dakhla to negotiate with Moroccan authorities the repatriation of the body, returned to Rabat as he concluded talks on the departure of the body to Seoul, he said.

The ministry, however, is still waiting for an outcome of the investigation by the Moroccan authorities of the mishap and will take necessary steps after receiving the final reports from Morocco, according to him.

The Moroccan authorities are refusing to hand over the detained fishermen of the Atlantic-5, citing that they need to make further investigations into the case, said the spokesman.

They even demanded that the owner of the fishing boat pay 1.2 million dollars in fines for the alleged illegal fishing off the Moroccan coast, said the spokesman who added that the ministry wants the owner to directly negotiate with the Moroccan authorities in order not to trigger any diplomatic rows.

"The Moroccans insist that they don't have to pay any compensation for the shooting death of Yi Won-ho, claiming that Yi was shot with several bullets because he stood up while the Moroccan maritime police were shooting blank shots to stop the fleeing boat," according to the spokesman.

The fishermen, however, refused to accept the charge levied by the Moroccan authorities, denouncing the Moroccan authorities for the shooting death of skipper lee, said the spokesman.

The ministry, therefore, will have to demand the Moroccan authorities a joint investigation of the case soon after receiving primary investigation results from Morocco in consideration of the conflicting claims, said the spokesman.

Oil Exploration Project in Algeria Approved

SK1003001495 Seoul THE KOREA HERALD in English 10 Mar 95 p 8

[FBIS Transcribed Text] The Ministry of Trade, Industry and Energy (MOTIE) has issued a go-ahead to four Korean companies for a joint oil exploration project in the Bourarht mining block in Algeria.

Korea Petroleum Development Co. (PEDCO), Daewoo Corp., Samsung Co. and Hanbo Energy Co. have created a consortium and will conduct test drillings to explore for oil deposits on the mining block, some 1,100 km south of Algiers, the capital of the North African country.

The consortium signed a production sharing contract (PSC) with Sonatrach Co., a state-run petroleum corporation in Algeria, under which participating companies are to share oil to be produced there if they succeed in finding economically-viable deposits.

The equity ratio of the consortium is 40 percent each for PEDCO and Daewoo, and 10 percent each for Samsung and Hanbo.

Over the coming five years until 1999, the four Korean companies will invest about $46 million in the mining block oil exploration, a MOTIE spokesman said.

The preliminary results of the geological survey of the mining block indicates a likelihood of oil deposits, he said.

Vice Assembly Speaker Urges Bipartisan Dialogue

SK1003114395 Seoul YONHAP in English 1035 GMT 10 Mar 95

[FBIS Transcribed Text] Seoul, March 10 (YONHAP)—Vice National Assembly Speaker Yi Han-tong, while denying any plan to call in assembly guardsmen against those opposition solons "seizing" the residences of the speaker and a vice speaker, stressed Friday the current bipartisan confrontation should be resolved through dialogue.

Asked by reporters if his ruling Democratic Liberal Party (DLP) plans to physically evict DP [Democratic Party] lawmakers from the residences, Yi said, "I don't believe any one in a responsible position in our party spoke of such a plan."

He said physical eviction of opposition lawmakers cannot be of any help to resolving the problem. "I understand the people's wish is to iron out bipartisan differences through talks until the last minutes," Yi said.

Groups of Democratic Party solons have for some days been staying at the residences of Speaker Hwang Nak-chu and Vice Speaker Yi in a move to keep them from going to the assembly to open and preside over assembly session to push through an amendment to the election law.

"I hope both the ruling and opposition parties should try to resolve the situation through dialogue for the sake of national interests," Yi said.

House Speaker Hwang, Vice Speaker Yi 'Freed'

SK1203034595 Seoul YONHAP in English 0337 GMT 12 Mar 95

[FBIS Transcribed Text] Seoul, March 12 (YONHAP)—National Assembly Speaker Hwang Nak-chu and Vice Speaker Yi Han-tong were freed from their week-long "house detention" by the opposition Democratic Party (DP) when the police stormed into their residences and dispersed the opposition members early Sunday morning [12 March].

Some 600 riot policemen were deployed to speaker Hwang's official residence in Hannam-tong, Seoul around 6 AM [2100 GMT 11 March] Sunday and expelled nine DP lawmakers around 7:15 A.M.

There was no major skirmish except for the opposition members' shouts and taunts against the police operation.

At one point, DP lawmakers including Vice President Sin Sun-pom had resisted in a brief confrontation with the police until they yielded finally.

Meanwhile, the police took a similar operation at the residence of Vice Speaker Yi and expelled seven DP legislators who had seized the vice speaker for one week to block him to go to the National Assembly.

The opposition party members had seized the residences from early Monday morning to deter the speakers to attend the National Assembly in an apparent move to pass a controversial amendment bill of the local election-related law by the ruling Democratic Liberal Party (DLP).

Some 300 riot policemen were also deployed to Yi's house in Yomkok-tong, southern Seoul, around 6 AM Sunday. It took less than an hour for the police to disperse the opposition members from the vice speaker's house after a brief confrontation with the DP lawmakers.

Immediately upon arrival at the Speaker Hwang's residence, the police occupied major spots by scores of riot policemen, demanding the opposition members voluntarily stop detaining the speaker and leave out of the house.

Nine DP lawmakers later voluntarily left the Speaker Hwang's residence after exchanges of yelling each other, but seven legislators at the Vice Speaker Yi's residence were forced to move to the National Assembly after being lifted to police cars.

DP lawmakers strongly protested against the blitzkrieg police action while blasting the government and ruling party's "tyranny" suppressing the opposition party's "fair political behavior."

In a hurriedly-convened caucus meeting of the DP lawmakers, the opposition party decided to ask the government and ruling party to make apology to the people for their police mobilization.

During the meeting held at the National Assembly Sunday morning, the DP also decided to demand the immediate dismissal of Home Minister Kim Yong-tae, National Policy Agency's Commissioner General Pak Il-yong and the Seoul Police Director An Pyong-uk.

The opposition legislators resolved that the police deployment was "another act of violence leaving a stain on the country's democratic political history."

DLP Blames DP for Police Raid

SK1203053095 Seoul YONHAP in English 0523 GMT 12 Mar 95

[FBIS Transcribed Text] Seoul, March 12 (YONHAP)—The ruling Democratic Liberal Party (DLP), commenting on the police mobilization early Sunday [12 March] morning to the residences of National Assembly speaker and vice speaker, has charged that the opposition Democratic Party (DP)'s "illegal, collective action" has invited the deployment of law-enforcing forces to release the detained officials.

In a statement, DLP Spokesman Pak Pom-chin said that the police action to free Speaker Hwang Nak-chu and Vice Speaker Yi Han-tong from their house detention by the DP members was a result from the opposition party members' "illegal demeanor that destroyed the dignity of the National Assembly."

Park then urged the DP to cooperate for the normal operation of the National Assembly where both parties are able to deliberate the DLP-drafted revision to the Integrated Election Law.

The controversial amendment bill prepared by the ruling party calls for banning the political parties from nominating candidates in the local elections for the chief administrators and councilmen of the basic administrative units.

The spokesman then claimed that all political negotiations between the ruling and opposition parties must be made within the National Assembly, pointing out that the DP's illegal action through physical means is "an outworn and vicious habit" of the past days.

Meanwhile, National Assembly Speaker Hwang said that it was fortunate that the opposition legislators withdrew from his house at the request of the police.

In a joint statement with Vice Speaker Yi, he insisted that the opposition members' illegal seizure of speaker's residence was the first case in the history of the country's National Assembly.

With regard to the deployment of the police, Hwang said that he did not make any request for the law-enforcing forces to come to the residence.

Large Firms Continue Investing in Facilities

SK1303104495 Seoul YONHAP in English 0758 GMT 13 Mar 95

[FBIS Transcribed Text] Seoul, March 13 (YONHAP)—Large domestic conglomerates keep expanding their facilities investments this year in their optimistic outlook on the world economic recovery and exports increase due to the powerful Japanese yen.

According to the "survey on facilities investment trends" of the top 200 manufacturing and distribution businesses conducted in January and released Monday by the International Trade and Industry Ministry, they plan to invest a total of 36.98 trillion won (47.22 billion U.S. dollars) in facilities this year, up 50.9 percent from 24.5 trillion won in 1994.

By industry, semiconductors have a prospected growth rate of 66.8 percent, electronic home appliances 56 percent, automobiles 25.6 percent, steel 94.3 percent and oil refinery 155.7 percent, the survey showed.

In investment volume, steel and metal ranked first with 6.4 trillion won, followed by electricity with 6.1 trillion won, semiconductors with 5.7 trillion won, automobiles with 3.9 trillion won and oil refinery with 3.8 trillion won, the survey said.

By company, Korea Electric Power Corp. topped the list with 6.1 trillion won, followed by Pohang Iron and Steel Co. with 3.14 trillion won, Samsung Electronics Co. with 2.45 trillion won, LG Semicon Co. with 1.79 trillion won and Yukong Ltd. with 1.79 trillion won, according to the ministry's data.

Motivated by the sharp investment expansion, production increase took 69.7 percent or 25.8 trillion won of the total, followed by automation and rationalization for 8.9 percent or 3.3 trillion won, research and development for 7.2 percent or 2.7 trillion won and pollution prevention for 2.1 percent or 800 billion won, the survey revealed. It indicates that investments for strengthening industrial structure will be relatively low.

For investment fund supplies, however, the big companies bank heavily on outside capital rather than from the inside. The total investment amounts were comprised of 65.7 percent or 24.3 trillion won of the total from the outside, and 34.3 percent or 12.7 trillion won from the inside, giving rise to concerns that snags in their facility investment plans may appear if imported unit prices of Japanese machinery rise due to the high yen, or the capital procurement from the outside becomes difficult, ministry officials said.

As for their bottlenecks in such investments, the businesses pointed out a current high interest rate of over 12 percent, lack of security when borrowing money, the government's unsatisfactory financial assistance, frequent changes of environmental laws and regulations, and production manpower shortage, the officials said.

Meanwhile, the officials predict that this year's actual investment amounts by the big companies will be somewhat lower than expected, considering there have been recent moves to adjust their original plans as the investment environment is rapidly changing due to the lofty interest rate and high yen.

Korea Development Institute Chooses New Director

SK1003132595 Seoul YONHAP in English 1128 GMT 10 Mar 95

[FBIS Transcribed Text] Seoul, March 10 (YONHAP)—The Korea Development Institute (KDI), a leading public think tank, Friday chose Cha Tong-se, director of the Korea Institute for Economics and Technology (KIET), as its new director.

Cha succeeds as KDI Director Hwang In-chong whose term has expired.

The KDI director studied economics at Seoul National University and obtained economics doctorate from Vanderbilt University of the United States. His past duties included deputy director of Korea Industrial Research Institute, senior research member of the Sejong Institute, and director of the LG Economics Institute.

Health-Welfare Minister Returns Home 'Abruptly'

SK1003090195 Seoul YONHAP in English 0839 GMT 10 Mar 95

[FBIS Transcribed Text] Seoul, March 10 (YONHAP)—Health and Welfare Minister So Sang-mok, who is accompanying President Kim Yong-sam's current trip to Europe, returned to Seoul abruptly at 5 P.M. Friday after cancelling his original itinerary there.

Minister So was scheduled to come back home next Wednesday via Sweden from Denmark where he was to attend President Kim's keynote speech on Saturday before the United Nations' World Summit for Social Development to be held in Copenhagen.

So, who left the country last Saturday, is concurrently a National Assembly lawmaker on a national representation ticket of the ruling Democratic Liberal Party.

Officials of the ministry said they did not know why the minister returned home all in a sudden.

Burma

Karen-Khun Sa Pact: Threat to Foreign Firms

BK1003111895 Bangkok PHUCHATKAN in Thai 10 Mar 95 p 16

[FBIS Translated Text] Chiang Mai—A high-rank official of an ethnic group organization in Burma told our correspondent yesterday 9 March) that foreign companies including those from France, the United States, China, and Singapore could become the targets of sabotage by Burmese ethnic group commandos operating in the rear zone inside Burma.

He pointed out that after the falls of Manerplaw and Kawmura camps on 27 January and 21 February respectively, the Karen national liberation army under the command of General Bo Mya has shifted to guerrilla warfare against the Burmese Government.

The Karen national liberation army and Mong Tai Army [of drug kingpin Khun Sa] are the only two Burmese minority group armies strong enough to fight the Burmese Government troops. Officials of the Shan National Liberation Organization reportedly met with Gen Bo Mya to advise them on how to fight the government before Burmese troops and Karen Buddhists captured the Manerplaw camp.

The official said the lesson learned from the heavy casualties in the fall of Manerplaw and Kawmura camps is that ethnic rebels must change their combat tactics and refrain from building permanent camps because they would become the fixed targets of the government.

The source said: "The new strategy submitted to Gen Bo Mya prescribes guerrilla warfare. Rebels will try to use as little manpower as possible to attack the enemy."

The source added that guerrilla warfare and sabotage activities are intended to cause severe damage to Burma's economy and pressure foreign entrepreneurs to withdraw their investment from Burma. It is believed that foreign companies help strengthen the stability of Burmese dictatorial regime. The government, on the other hand, uses the money it received from logging and mining concessions to buy weapons for the suppression of minority groups fighting for democracy.

If Gen Bo Mya and Khun Sa can reach an agreement, the source said the minority groups will target their sabotage against:

1. Cargo ships of all countries including those from Singapore in the Rangoon River. If a ship is sunk navigation along the river will be interupted because salvaging takes four months. Thus, the country's economy will be severely damaged.

2. Foreign oil companies such as Total and Unocal etc. Sabotage activities against such big oil companies will adversely affect the country's economy because no multinationals will dare to invest in Burma.

3. Chinese advisors and business people are also the target because China sends weapons to Burma for the suppression of the minority groups.

Moreover, less money is required for a guerrilla war and sabotage activities. However, the intelligence must be highly effective, while finding places to hide weapons can be a problem because the rebels also plan to use anti-tank guns and mortars.

If the government ordered its Eastern Military Command to crush Khun Sa's Mong Tai Army, a number of Shan soliders might infiltrate into the rear to carry out sabotage in major cities. As a result, Burma's economy will be stagnant for another 15 years because foreign companies will not dare to invest in Burma and financial institutions will be reluctant to give loans for Burma's development.

Troops Set for 'Major Offensive' Against Khun Sa

BK1203154595 Hong Kong AFP in English 1524 GMT 12 Mar 95

[FBIS Transcribed Text] Bangkok, March 12 (AFP)—Burma's military junta has sent in some 1,000 troops to an area controlled by drug warlord Khun Sa in Shan State in an attempt to wipe out his rebel army, a military-run Thai TV reported Sunday.

Channel 7 said the Burmese soldiers were transported by 27 military trucks to Doi Pha Daeng Noi and Doi Pha Daeng Luang, hilly areas in northeastern Tachileik town, 15 kilometers (nine miles) from Thailand's Mae Sai district.

About 400 horses were drafted to carry weapons and ammunition. The deployment of the ruling State Law and Order Restoration Council (SLORC) troops indicated a major offensive against Khun Sa's Mong Tai Army was imminent, according to the report.

Khun Sa is the region's largest opium producer, operating from territory he holds in Burma's northeastern Shan State which is part of the so-called "golden triangle"—drug-producing area between Burma, Laos, and Thailand.

He claims to lead the Shan ethnic minority in their fight for independence from Rangoon and finances his army from drug profits.

KNUCC Emergency Meeting Concludes

BK1203102195 Oslo Democratic Voice of Burma in Burmese 1430 GMT 11 Mar 95

[FBIS Translated Text] Dear listeners: Democratic Voice of Burma reporter Ba Maung Thin has filed this report from a location along the Thai-Burmese border on 11 March on the conclusion of the Central Committee Meeting of the KNU, the Karen National Union.

The KNU reports say that the KNU Central Committee's [KNUCC] emergency meeting, which began earlier this week, ended successfully without making any changes to the leadership. The reports that emerged during the KNUCC emergency meeting say new persons, especially middle-aged people, will be appointed to certain KNU leadership posts. At the end of the meeting, one KNU leader said matters concerning the changes in the leadership were discussed at the meeting, but all the participants unanimously agreed that the changes should not be decided at the Central Committee Meeting; rather, it should be decided at the KNU regional [words indistinct]. That is why, it was decided to hold a KNU congress and the election of the Central Committee at an opportune time. At this Central Committee Meeting, detailed discussions were held on matters concerning Karen splinter group DKBO [Democratic Karen Buddhist Organization] and KNU's future revolutionary plans. The KNU leader also explained that there are, generally, no differences between the schemes laid out at this KNUCC's special meeting and the schemes outlined at the National Council of Union of Burma Political Leading Committee's meeting held last week.

At the same time, it has been learned that Karen splinter group and the SLORC [State Law and Order Restoration Council] units crossed the border into Thailand en masse and disturbing and destroying the stability and peace of Karen refugees. At about 1500 on 3 March, the DKBO and SLORC units entered into (Mae Saimet) village in Thailand and took a Thai-owned Toyota car—registration No. 5181—away. At about 2300 on the same day, some 60 DKBO and SLORC troops crossed into Thailand and abducted Phado Wai Soe, a village leader, and two family members, who were residing at (Kahtika) refugee Village. Previously, the DKBO and SLORC units also forcibly and repeatedly abducted refugees after crossing the border into Thailand. That is why, the Thai Government has increased the deployment of its military units along the Burmese border since the beginning of this month. However, the role of the Thai military, which is saying it is safeguarding the security of Karen refugees, is now questionable because the DKBO and SLORC units committed these two criminal acts without any hindrance. Some observers believe that the SLORC retaliated against the Thai Government by closing down the Myawaddy-Mae Sot border trade channel following the reports on increased deployment of Thai military units at the border. Despite the presence of Thai military at the border, the military was unable to effectively prevent the DKBO and SLORC units from crossing into Thailand. The observers are now raising a question: Is it because the Thai military doesn't want to be scorned by the SLORC?

Oil Pipeline Surveyors Attacked Near Kanbauk

BK1003155895 London BBC in Burmese to Burma 1345 GMT 10 Mar 95

[FBIS Translated Text] It has been learned that five people were killed and 11 injured during an attack near Kanbauk village in eastern Burma. They belonged to a group surveying the laying of a gas pipeline between Burma and Thailand. The group was also conducting preparatory work.

Thailand signed an agreement last year to buy natural gas worth $400 million per year from Burma.

It has also been learned that France's Total Oil Company and the Unocal Oil Company of California have only hired Burmese workers. The attack took place in an area controlled by the ethnic Karen rebels.

Brunei, Malaysia & Singapore

Malaysia

Minister Pledges Assistance to South Africa

BK1103144395 Kuala Lumpur BERITA HARIAN in Malay 11 Mar 95 p 6

[Report by Saodi Mat Atar]

[FBIS Translated Text] Kuala Lumpur, Friday—Malaysia is ready to help South Africa achieve political stability and draw up a comprehensive development strategy in an effort to restructure the administration of that country.

Acting Foreign Minister Datuk Abu Hassan Omar said that South Africa is very interested in learning the Malaysian method of achieving two-edged prosperity.

"South Africa wants to learn how Malaysia can develop urban and rural areas rapidly."

"They also want to know in detail the formula for achieving political stability through power sharing among various races and how the country can be well administered," he told reporters at his office here today.

Earlier, he received 12 senior South African Government officials from various services in the Presidential Office and offices of ministers without portfolio.

The delegation is headed by Dr. R. Mokate, director general for development program and restructuring. They are paying a six-day official visit to Malaysia. The visit will end next Tuesday [14 March].

The visit follows Prime Minister Dr. Mahathir Mohamed's invitation to South African President Nelson Mandela to send senior officials to gain experience in Malaysia.

They will be briefed by several government agencies, including the Economic Planning Unit, the Executive Coordinating Unit, the Unit for the Modernization of the Malaysian Administration, and the Malaysian Industrial Development Authority.

In addition, they will visit the local administration of Sabak Bernam, Selangor to see for themselves rural development and land management.

Abu Hassan added that the private sector was also ready to help and become partners of South African developers in various fields.

Deputy Foreign Minister on Bosnian 'Genocide'

BK1003144395 Kuala Lumpur THE STAR in English 10 Mar 95 p 2

[FBIS Transcribed Text] Taiping—Malaysia will continue to condemn the genocide in Bosnia-Herzegovina until the world takes a "firm and decisive action" to stop the war.

Deputy Foreign Minister Datuk Dr Abdullah Fadzil Che Wan said the Government would continue to press the warring parties and the world to help achieve a definite peace settlement there.

The recent reinforcement of Malaysian peace-keepers in Bosnia by another 1,500 showed that Malaysia was committed to stopping the killing in Bosnia, he said here yesterday.

The world must convince Russia, considered a Serb ally, to influence the Serbs into accepting peace, he added.

Editorial Assails Foreign Programs, Publications

BK1003011895 Kuala Lumpur UTUSAN MALAYSIA in Malay 9 Mar 95 p 6

[Editorial: "The Negative Aspects of Foreign Publications"]

[FBIS Translated Text] The authorities are considered capable of controlling depictions of violence, sex, and supernatural [tahyul] scenes found in the imported programs shown on local television stations. The Information Department has drawn up more comprehensive guidelines on the approved types of programs that can be shown on television.

The local television station gate keeper [preceding two words published in English] voluntarily stopped screening several popular [preceding word published in English] Western programs and replaced them with more suitable programs that conform with the concept of transforming Malaysia into a more progressive nation. It is hoped that the effort to rid television of negative aspects for the sake of Malaysia's well-being will be a serious endeavor and not just short-lived enthusiasm.

Serious action should definitely be taken to eliminate violent, sexual, and supernatural scenes found in television programs produced by Hollywood and Hong Kong. There is also a need to control strictly the inflow of other television programs currently flooding the country's market. These programs have been found to portray violence as well as other undesirable scenes that have no bearing on our way of life.

The minds of our citizens will surely be corrupted by negative aspects if there is not proper control over the inflow of foreign publications—whether it is entertainment magazines, comic books, or so on. If our community is perpetually exposed to and dominated by perceptions and ideas that contradict the country's spirit of Vision 2020, the people will lack the potency to transform the nation into an industrialized country as desired. Instead, their minds will be filled with Western characteristics.

Just like foreign television programs, foreign publications that contain materials conflicting with our effort to instill good values will also affect the younger generation and children.

A study that was conducted clearly shows that imported comic books—freely sold almost everywhere—carry negative images. Repulsive scenes, negative images, and information that is not in accordance with the ethics of the country's Islamic society are published in these books. A clear example was the use of the word Allah in a foreign comic book that was translated into Malay not long ago.

This is clear testimony that the publishers that obtain the rights to translate or circulate these foreign publications (with the Home Ministry's approval) show no concern or sensitivity for the country's official religion.

It is fortunate that the use of sensitive terms or words has not created any turmoil or disturbances. It is also fortunate that the responsible authorities took the appropriate action by issuing a strong warning to the publisher concerned stating that if they persist in deliberately disregarding the country's religious sensitivities, their publishing permits will definitely be revoked. If this action was not taken, the country would be in a chaotic situation.

It would be pertinent to take stringent action against any local publisher that translates foreign publications into Malay—irrespective of whether it is magazines or comic books—if the publisher disregards the sensitivities of the Malaysian community. Their action will not only be considered irresponsible but could thrust the country into an undesirable and chaotic situation.

Minister Comments on Concern Over Air Squadron

BK1103164795 Kuala Lumpur RTM Television Network 1 in Malay 1200 GMT 11 Mar 95

[FBIS Translated Text] Defense Minister Datuk Sri Najib Tun Razak has described as baseless the anxiety of neighboring countries that the formation of an air squadron for the army will threaten them. He does not want any parties to misinterpret the formation of the squadron because Malaysia is truly a peace-loving country. He said that the formation of the squadron is a normal measure in an effort to modernize the Malaysian Armed Forces and balance the number of Malaysian Armed Forces personnel with the existing weapons.

Datuk Najib said this during the inauguration of the army's air unit and Alouette Squadron No. 881 at the Royal Malaysian Army Base in Keluang, Johor. He also urged the international media to be responsible and avoid creating an atmosphere that may strain Malaysia's relations with its neighbors.

PAS Disbands; New Party AKIM Forms

BK1103092195 Kuala Lumpur RTM Television Network 1 in Malay 1200 GMT 10 Mar 95

[FBIS Translated Excerpt] The PAS [Pan-Malaysian Islamic Party] has broken up. A new party known as the Angkatan Keadilan Insan Malaysia [Malaysian Justice Movement], or AKIM, has been set up by a group of former leaders and members of the PAS and the Semangat 46 [Party of the Spirit of 46]. AKIM President Che Gu Musa Salih, formerly head of the PAS Pasir Putih Division in Kelantan, said the party's registration had been approved. [passage omitted]

Singapore

Editorial Views Malaysian Stand Toward APEC

BK1103093595 Singapore THE STRAITS TIMES in English 9 Mar 95 p 28

[Editorial: "Action Speaks Louder Than..."]

[FBIS Transcribed Text] Malaysia's position on APEC, the Asia Pacific Economic Cooperation forum, and open trade among its 18 members is well known: it is all for tariff cuts and removal of non- tariff barriers but would not be tied down by commonly-imposed deadlines; it worries that as the leading trading nation, the United States could dominate APEC to the detriment of Asian interests, hence its push for an East Asian Economic Caucus [EAEC] within APEC to give Asian nations room for manoeuvre in the diplomacy of trade. This was made all the clearer at the APEC meeting in Bogor last November when Malaysia, as the most vocal holdout, had its reservations recorded with an annex to the declaration. With that backdrop, it is reasonable to say that remarks made by two Malaysian ministers in recent weeks on the country's pace of trade opening do not indicate a toughening of position. Foreign Minister Abdullah Ahmad Badawi and International Trade and Industry Minister Rafidah Aziz made the same point: Malaysia rejects the U.S. campaign that member states work towards the 2020 deadline for free trade and investment. That, as noted, is not new. Malaysia shall open up only as fast as its productive sectors could bear. In short, it sees the 2020 time frame as indicative, nothing more.

The context in which the remarks were made probably tells more. These were a response to the view of America's APEC coordinator, Sandra Kristoff, that China, Thailand, and Malaysia had not shown much seriousness about implementing the Bogor accord. As Malaysian leaders dislike being dictated to by richer countries, especially Western ones, anything negative the Americans say is bound to draw a swift rejoinder. More so as Malaysia considers the Americans to be the obstacle to wider acceptance of the EAEC idea. Certainly, atmospherics should not be permitted to cloak serious differences, where they exist. Do they? On fundamentals, no. But if Malaysian spokesmen kept the decibel level high, those APEC nations which are anxious that the momentum towards free trade be kept up could be forgiven for wondering about Malaysian resolve to remove barriers. While it is accepted that the Bogor time frame is not binding, insistence on the right to open-ended scheduling could make a farce of Bogor. This is so as Thailand, China, Taiwan, and even Japan have not been unequivocal about pulling down barriers. Contrast that with the enthusiasm shown at the weekend by Prime Minister Goh Chok Tong and his Australian visitor, Prime Minister Paul Keating.

Even allowing for the normal divergence of views in a diverse grouping (witness the squabbling about the pace of monetary and security standardisation in the European Union), too wide a gulf cannot be a help to a tenderfoot concept which APEC is. It is important that member states do not talk at cross purposes. Happily, in all this may lie irony. Malaysia, in spite of diffidence about being able to meet the target date, could make it with margin to spare. The developed countries in APEC were set the target year of 2010 at the Bogor meeting. Singapore chose 2010. The less developed members, Malaysia included, have until 2020 to do so. A quarter century is an aeon in these times of exponential growth. At the rate Malaysia is recording 8 to 9 percent GDP gains and provided it can keep inflation under 7 percent, it may be able to afford going fully open before the due date. If it is confident enough to set 2020 as the year when it would become an industrialised country, it can liberalise as quickly. An indication is that for the ASEAN Free Trade Area (AFTA) regime, the six countries have brought forward to 2003 from 2008, the target year when tariffs will fall to a range of between 0 and 5 percent. Malaysian tariffs average a modest 10 percent now, and 2,000 more items were marked for cuts in last October's budget. The facts are running ahead of the rhetoric.

Goh Advocates 'Open Trading System'

BK1103115395 Singapore THE STRAITS TIMES in English 10 Mar 95 p 1

[FBIS Transcribed Text] Governments and corporations must work to keep regional trading arrangements open as well as ensure that social cohesion within the national boundaries is maintained, said Prime Minister Goh Chok Tong yesterday.

Speaking at the Fortune Global Forum, he made a strong pitch for an open trading system or multilateralism, now under threat by the move towards regionalism.

"Regional trading arrangements are now a fact of life," he said.

"The critical issue is how we ensure that they act as building blocks and not stumbling blocks towards a freer multilateral trading system."

The key to this, he said, was the concept of open regionalism, now being developed by the Asia-Pacific Economic Cooperation [APEC] forum.

The group had now to decide whether their proposed tariff reductions would be extended to non-members on a unilateral basis or to extend benefits to non-members on a negotiated basis.

"Either way, open regionalism will work in favour of lower trade barriers globally," he said.

Overlapping memberships in regional trading groups would also keep them open, he said, citing the example of the participation of North American Free Trade Area members in APEC.

He raised the idea of open regionalism when he noted how two tensions had surfaced with the globalisation of markets.

The first was social polarisation resulting from widening income disparities between the better-educated and skilled, who would reap the benefits of free trade, and the less-educated and unskilled, who could not keep up.

"This new act, this new polarisation, has yet to play itself out.

"Unless social cohesion is preserved and the necessary investments made to upgrade levels of education and skills of those in the bottom half, there is every chance that isolationism will assert itself."

If the benefits of economic growth did not reach broader sectors of the population, trade and investments abroad would be blamed for loss of jobs or depressing the wages of the unskilled.

"Globalisation will be challenged."

But it was the second tension that he devoted most of his speech to—that between multilateralism and regionalism, which he described as "running neck and neck."

If regional groupings such as the European Union, ASEAN Free Trade Area, NAFTA and APEC were not kept open, the world economy risked being fragmented into "increasingly autonomous trading blocs in the coming decades," he warned.

He noted that regionalism was, paradoxically, an outcome of multilateralism—a lead set by the U.S. to integrate the war-torn economies of Western Europe and Japan into the world and act as a bulwark against communism.

But as countries narrowed their lead against an increasingly unsure U.S., they moved towards regional groupings to cope in a more competitive world.

There was a critical difference, he said, between the de facto integration that had occurred in East Asia and that which was being pursued in the EU and NAFTA: The private sector, not governments, drove the integration of East Asia.

He said that APEC would reinforce this market-driven regionalisation with its trade and investment liberalisation programme.

He noted, however, that its move towards open regionalism depended ultimately on how fast the tariff barriers came down.

In this regard, he urged East Asian nations, many of which viewed free trade as a necessary evil rather than an advantage, to seize the initiative to open up their markets.

He concluded his speech on an optimistic note: "Regional economic arrangements are an outcome of a multipolar world and the entry of numerous new players, but they need not fragment the world economy.

"With the right vision and deeper institutional linkages to connect them, regional arrangements can serve as pillars of a more open, globalised trading system."

Mr. Goh was one of several government leaders who addressed the forum which has as its theme, One World of Business, at the Shangri-La hotel.

In her speech, Pakistan's Benazir Bhutto made a strong pitch for investments into her country which, she said, could be a model for the Islamic world.

Hong Kong Governor Chris Patten spoke on the rule of law, describing it as a factor that would ensure Hong Kong's continued progress.

Four workshops were held for the 150 participants, mainly corporate chieftains, on topics such as the emergence of trade blocs and managing the global information superhighway. The forum ends today.

Cambodia

Khmer Rouge Opposes Aid for Phnom Penh

BK1103094595 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 9 Mar 95

["Communique" issued by the spokesman of the Provisional Government of National Union and National Salvation on 9 March—read by announcer]

[FBIS Translated Text] I. The Western alliance with the United States, France, and Australia as the archvillainous ringleaders plans to hold a meeting in Paris on 14 and 15 March to collect bits and pieces of aid to bolster the devilish two-headed and three-eyed government so that it can take a few more breaths. They call it this and that aid, such as development aid. But in fact, all the aid is for fueling communist Vietnam's war and the war of the alliance and two-headed government to kill and cut the nation and people's throats.

II. The alliance will hold this meeting in a far more desperate and gloomy atmosphere than before. The alliance itself foresees the meeting's failure. Various observers and countries also foresee its failure in Paris.

The U.S.-Australian-French alliance placed all bets on the communist Vietnamese, Vietnamese puppets, and two-headed government since 1991 when the Paris agreement was signed, and it lost everything.

This and that aid and all kinds of meetings cannot salvage the devilish two-headed and three-eyed government from this collapse. The money given the two-headed government has all been used up, but the government has not recovered from the losses it suffered in the rainy and dry seasons. The increase in amount of money given will again be spent wastefully. The alliance will not be able to collect any bit of coins from any where. Look at those who have already signed the contracts, they have even rejected the contracts. Some investors have even withdrawn their investments. Nobody will risk coming to invest here again because the situation of the two-headed regime—puppet of the Vietnamese and United States—is very bad. No economic construction or investment is possible. This is because:

1. The communist Vietnamese war is seething nationwide. Communist Vietnam, the alliance, and two-headed government are the ignitors of the war. How can there be development amid the flames of war? They have suffered repeated defeats in this war. The communist Vietnamese lost their 13-year war in which they spent billions of dollars. When UNTAC [UN Transitional Authority in Cambodia] came, it spent another 2 billion dollars, but again it suffered defeats. Then, the two-headed government and the alliance came in and spent quite a huge amount of money, war materiel, and military personnel, but again they were defeated.

In such a situation, no one will be willing to take off their clothes and throw them into the flames of war.

2. The Hun Sen-Chea Sim-Ranariddh regime is extremely corrupt at all levels. It is a traitorous and fascist regime. These elements are extremely vicious and lousy and completely corrupt. They know nothing about economic development and financial management. They are just a group of brigandish cat's paws serving only the interests of their bosses who have come to eat the flesh and suck the blood of the Cambodian nation and people. These elements think only about plundering and selling out the nation, grabbing everything at hand in preparation to flee the country.

3. The problems concerning the genocidal communist Vietnamese and the 4 million Vietnamese.

The racial exterminator communist Vietnam and the 4 million Vietnamese have drained and destroyed a huge quantity of the Cambodian people's economy and natural resources. The 4 million Vietnamese constitute half of the entire Cambodian population. How many acres of land, farmland, and villages have they plundered from the Cambodian people? How much rice, fish, and meat have they eaten, plundered, and sent to Vietnam?

How have the insecurity, robberies, and social crises caused by the 4 million Vietnamese jeopardized the Cambodian people's livelihood? It has greatly affected the Cambodian people's livelihood in all areas. They have plundered and bled the Cambodian nation and people white. The aid in its entirety has not been used in the interests of the Cambodian nation and people. It has all been drained by the alliance's and two-headed government's war and plundered by the devilish Hun Sen-Chea Sim-Ranariddh brigandish traitors, communist Vietnam, and the 4 million Vietnamese.

III. The Provisional Government of National Union and National Salvation [PGNUNS] and Cambodian nation and people would like once again to emphasize officially and solemnly to the Cambodian nation and people and the whole world that as before, the arduous struggle that the PGNUNS and the Cambodian nation and people are waging and will wage in the future is for peace and national reconciliation in an independent, sovereign, and neutral Cambodia pursuing a liberal democratic system.

Only when there is peace, national reconciliation, and national unity can we have time and forces to build the economy and solve people's livelihood.

The PGNUNS and the Cambodian nation and people would like to appeal to all peace-loving countries not to provide aid in any form to the devilish, warmongering, traitorous, and nation-selling two-headed clique which has cut the Cambodian nation and people's throats.

To fuel the war is to kill the nation. Only by seeking peace can the nation be saved. Only when there is peace can investments be used to the full. Anyone who gives aid, in any form and whatever means, to the two-headed government for it to continue fuelling the war to kill the Cambodian nation, people, and race, must be held fully responsible for all the consequences. The Cambodian nation and people will absolutely not be responsible for them.

9 March 1995

The spokesman of the PGNUNS

Khmer Rouge Warns U.S. Against Interference

BK1003150795 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 10 Mar 95

[Unattributed commentary: "The United States Has Sent Another 35 Military Personnel To Cambodia; U.S.

Soldiers Will Certainly Die and Their Bones Left in cambodia. And Do Not Accuse the Cambodian People"]

[FBIS Translated Text] 1. The United States will send 35 military personnel to wage war in Cambodia. Our nation and people know very well the dirty policy of the United States. All military personnel sent by the United States are to collaborate for the second time with the communist Vietnamese aggressors in Cambodia.

2. The United States has mixed its crap with that of communist Vietnam to give birth to the two-headed government and has used it to kill the Cambodian nation and people. They have provided aid to the two-headed government and have inflated it. The United States, Australia, and France are making efforts to do this. They have provided aid worth hundreds of millions of dollar and aid in the form of weapons and successive contingents of military personnel and experts.

The United States, Australia, and France have taken turns to send delegations to successively bless the two-headed government. These have included delegations from the Ministry of Foreign Affairs and military delegations. On the U.S. side, Winston Lord and Talbott, assistants of the U.S. Secretary of State, came to Cambodia. Macke, commander of the U.S. Forces in the Pacific also came to Cambodia, and so on.

3. What are the results? In the previous 16th dry season, soon after they helped giving birth to two-headed government, they immediately attacked Stoung, Phnum Chhat, and Anlung Veng. They thought those attacks were definitive and that they had completely smashed the resistance forces of the Cambodian nation and people. However, the forces of the communist Vietnam's puppets and of the Para [former noncommunist forces], U.S. lackeys, were routed. The communist Vietnamese, the allies, and the two-headed government were bogged down.

At present, the military operations of the two-headed government to get out of the quagmire in the 17th dry season have also been defeated. The two-headed administration has further disintegrated. Nothing can be used to save anything.

4. The Cambodian nation and people would like to again issue this warning to the United States:

When you committed aggression against Cambodia for the first time, you committed serious and great crimes against the Cambodian nation and people. Traces of your great crimes are still visible. Large numbers of Cambodians were killed by B-52 bombs and toxic chemicals. The survivors were disabled, incapacitated, and maimed. Babies were born unnaturally, and so on. These people are still around and are waiting to point their fingers at you to the Cambodian people's tribunal.

Some craters left by B-52 bombs are still present. Now, if you do not learn from this experience on time, you will certainly die and your bones will be left in Cambodia. And, do not accuse the Cambodian people of this or that. Did you not know that when you committed aggression against Cambodia the first time round, you barely had time to flee Phnom Penh in helicopters in the end?

Now you have come for the second time. Do you want to risk leaving your bones in Cambodia again?

Khmer Rouge Condemns U.S., Australia, France

BK1203143995 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 12 Mar 95

[Unattributed commentary]

[FBIS Translated Text] The masses and people in Phnom Penh ask what happens if the Cambodian people kill the peoples of the United States, Australia, and France, the protracted-war ringleaders financing the two-headed government's purchase of weapons to be used to kill Cambodian men and women?

The Cambodian people say the United States, Australia, and France are all war criminals and provokers of the ongoing war to kill the Cambodian nation and people. The United States, Australia, and France have colluded with communist Vietnam to prod the two-headed government into prolonging the war to kill Cambodia as they have killed the Third World peoples and countries according to their truly fascist nature. This constitutes a gross violation of human rights, democracy, the UN Charter, and international laws.

The Cambodian people reserve their absolute self-defense right to counterattack them. Should any American, Australian, or French be killed, the United States, Australia, and France, which are the war criminals, should not cry madly. If you, the dogs and demons, kill others, you must not cry when you are forcibly struck on the head. If you cry and yell out, you must not fuel a war to kill others.

The Cambodian nation and people are of the opinion that to allow the Cambodian people and the American, Australian, and French peoples to live in peace and have good relationship, the United States, Australia, and France must immediately stop giving cash and weaponry to the two-headed government to continue war. Military advisers and experts and so on should be removed from Cambodia at once. Should the United States, Australia, and France still persist in killing the Cambodian people, the people will not stand idly by, allowing you to attack at will. You must be totally and completely responsible for your life or death.

The Cambodian people want to have friendly relations with the American, Australian, and French and other peoples in the world. The people have never invaded any country. They will categorically oppose and fight the American, Australian, and French leaders who come and fan the flames of war in Cambodia with the intent of killing the Cambodian nation and people.

KR Killers of Hostages Reportedly Identified

BK1003091795 Hong Kong AFP in English 0652 GMT 10 Mar 95

[FBIS Transcribed Text] Sydney, March 10 (AFP)—Five Khmer Rouge [KR] guerillas have been identified in Cambodian police documents as the kidnappers and killers of three western hostages in Cambodia last year, according to reports in Australia.

The AGE OF MELBOURNE said the five implicated in the murders of Australian model Kellie Wilkinson and Britons Dominic Chappell and Tina Dominy were described by a senior Cambodian police officer as "the right-hand lieutenants" of Khmer Rouge commander General Sam Bo.

Bo is said to have ordered the murders.

Suspected Khmer Rouge gunmen seized Wilkinson, 24, her boyfriend Chappell, 25, and their friend Dominy, 23, after their taxi stopped behind a truck at a roadblock while driving from Phnom Penh to Sihanoukville on April 11 although their deaths were not positively established until September.

Brigadier-General Tak Vantha, the deputy commissioner of police in Sihanoukville, reportedly said the five were named for the first time in a police document presented to the court in Sihanoukville.

One of the guerillas said to have carried out the killings was named as Phat.

Tak Vantha also said that two Cambodian woodcutters who had helped recover the remains of the three hostages had not been paid enough money to relocate their families in order to protect them from reprisals from the Khmer Rouge.

However, the Australian Government said Thursday it had honoured the agreement and the two woodcutters had received their money in January.

Canberra acknowledged a debt to the two men, said it was "grateful for their assistance" and that it had paid them 7,000 US dollars each as a one-off, act of grace payment.

"The people concerned accepted that money and made undertakings that they would not make any further claims on the government," a foreign affairs spokesman said.

Another three westerners Australian David Wilson, 29, Briton Mark Slater, 28, and Frenchman Jean-Michel Braquet, 27, who were kidnapped during a bloody train ambush on July 26 were also murdered.

Sihanouk Criticizes Sam Rangsi's Activities

BK1003165295 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 10 Mar 95 pp 1, 11

[FBIS Translated Text] Sam Rangsi, the finance minister who was recently sacked, traveled to Paris where various aid donor countries will meet on 14-15 March to decide on the granting of rehabilitation aid to Cambodia.

There are very clear reasons for Sam Rangsi's trip to Paris. Political circles, particularly officials in the Royal Government, think Sam Rangsi will hinder the Royal Government's plan to seek nearly 300 million dollars [currency not further specified] worth of reconstruction aid for 1995-1996.

Sam Rangsi is an assembly member of FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia]. He has no position whatsoever in the Royal Government but has relentlessly opposed it. Recently, he embarked on a campaign which analysts say was aimed at blocking foreign aid to Cambodia, using the pretext that the Royal Government is full of corruption. Analysts expect Sam Rangsi's trip to Paris to be a continuation of the campaign with him demanding that donor countries tighten various conditions when giving aid to Cambodia. This issue will be debated at this third ICORC [International Committee on the Rehabilitation and Reconstruction of Cambodia] meeting.

His Majesty the King, in an interview with THE CAMBODIA DAILY (part 3) reproached Sam Rangsi saying "Sam Rangsi will create trouble at the Paris ICORC meeting."

The King Father pointed out two issues that could hinder the Royal Government's efforts to get aid at the ICORC meeting in Paris. First, a Frenchman named Braquet, along with a Briton and an Australian, were savagely killed by a Khmer Rouge commander, General Paet."

The second issue that has attracted the king's attention is that Sam Rangsi traveled to Paris ahead of the meeting. The King Father said Sam Rangsi is very brave, and that he constantly attacked Prince Krompreah Norodom Ranariddh and Samdech Hun Sen. The King Father said: "For Sam Rangsi, this is not good because he has created division and a crisis. The political atmosphere is not good."

The king pointed out the right approach to this, saying "I do not want to coax him into being quiet ... [ellipsis as published]; however, we should not exaggerate an issue ... [ellipsis as published]. We should be reasonable on all issues and should not exaggerate."

Although he has reason to criticize the government, he should not be extreme in his criticism.

The king apparently wanted to express his criticism to Sam Rangsi saying "I do not want to criticize Sam Rangsi. However, it seems that he does not want to be reasonable and moderate. I am concerned that Sam Rangsi will create a crisis in Paris during the ICORC meeting."

Ranariddh, French Envoy Discuss Paris Aid

BK1103084995 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 10 Mar 95 p 11

[FBIS Translated Text] Prince Krompreah Norodom Ranariddh, first prime minister of the Royal Government of Cambodia, received French Ambassador Gidas Le Lidech at his residence on the afternoon of 8 March.

On this occasion Gidas Le Lidech informed the prince krompreah about the opening procedures of the ICORC [International Committee on the Rehabilitation and Reconstruction of Cambodia] meeting that will begin in Paris on 14 March and will be attended by many aid donor countries, international organizations, and international monetary institutions.

Prince Krompreah Norodom Ranariddh, first prime minister, thanked the French Government for its efforts as ICORC cochairman. In this position, France has made efforts to provide material and moral support to Cambodia. France has recently provided a lot of aid to Cambodia.

The prince krompreah proposed that the next ICORC meeting be held in Phnom Penh and that it be the last one. The aim of this proposal is to have all the aid donor countries get to know Cambodia and see the country, which has been a victim of war for more than 20 years, has suffered greatly, and needs almost complete rehabilitation.

Gidas supported the prince krompreah's proposal and promised to convey it to the French Government for discussion with the Japanese Government, the other cochairman.

Prince Krompreah Norodom Ranariddh, first prime minister, will travel to France on 9 March to attend the meeting. Samdech Hun Sen will get there on 13 March.

Hun Sen Lists 4-Point Proposal Against Graft

BK1203104495 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 11 Mar 95

[FBIS Translated Text] Samdech Hun Sen, at the closing of a recent conference on corruption and its impact on national reconciliation and reconstruction, raised four important points to fight graft, saying:

1. A law should define corruption and the punishment to be meted out on corrupt individuals.

2. A strong mechanism should be established to investigate and crack down on corrupt practices. The mechanism should be independent; should have sufficient rights and power to conduct investigations, make arrests, and resort to detention, and should be responsible to the legislative and executive branches. Prominent persons who are honest, courageous, and resolute in their tasks should be appointed as members and they should have a clear mandate.

3. When we forge the anti-corruption law and set up the strong mechanism, we should also concurrently speed up the development process to solve the problem of poverty.

4. A strong and responsible press network should be created to publish accurate news, enabling the masses to become aware of the corruption problem. The Cambodian press is asked to show its courage and responsibility in using democracy jointly with the government to achieve successes for the people who are currently striving to eliminate corruption.

Samdech Hun Sen acknowledged that since the 1992 elections, corruption has become more widespread in all circles, like mushrooms sprouting during the rainy season. Nevertheless, he added, the synchronous criticisms against the Royal Government over the corruption issue are unusual. They are not only aimed at corruption but are also political activities in themselves. He also added that the recent criticisms on corruption are not intended to clean up society and state leadership, but have bound itself together to become a bigger excuse to bring down the present government.

Philippines

Military Says PRC Warships Remain in Spratlys

BK1303161995 Manila BUSINESS WORLD in English 10 Mar 95 p 12

[FBIS Transcribed Text] Chinese warships earlier sighted in the vicinity of Panganiban (Mischief) Reef and Kalayaan Islands have remained in position but have not made any significant movement pending negotiations between China and the Philippines over territorial boundaries, the Armed Forces of the Philippines yesterday said.

A ranking military official said the Chinese warships are on standby in the areas where they were earlier seen: two warships and one patrol boat anchored in Panganiban with eight other battleships just outside the country's 200-mile exclusive economic zone [EEZ].

Talks between the countries have been scheduled on May 19 to 22, President Ramos earlier said.

The military official said the Department of National Defense and the Department of Foreign Affairs are closely communicating to prepare Manila's position paper as well as pertinent documents related to the dispute over the reef, located some 130 miles off the coast of Quezon, Palawan.

At the same time, the Philippine Navy has just completed its island-to-island inspection of reefs, islets, atolls, and shoals inside the EEZ. The inspection also included islands which form part in the disputed Kalayaan Islands being claimed by the country. Philippine markers have not been removed even as officials said some islands were seen with markers belonging to other countries.

Muslim Factions Forge 'Peace Covenant'

BK1003165395 Manila MANILA STANDARD in English 9 Mar 95 p 2

[Report by Joe D. Macabalang—passage in italics published in Tagalog]

[FBIS Transcribed Text] Cotabato City—Southern Mindanao's Muslim rebel factions—the Moro National Liberation Front [MNLF] and its rival Moro Islamic Liberation Front [MILF]—have agreed on a peace covenant aimed at settling the dispute between guerrilla groups violently battling for vote-rich villages in three Maguindanao municipalities, including Maganoy town.

The peace covenant materialized after a high-level meeting among the ranking officials of the two Moro fronts over the weekend in a hinterland rebel camp in the province.

Mohagher Iqbal, chief of the MILF's Propaganda Commission, said since the violent squabbles involving some combatants of both fronts are rooted in politics, the newly brokered "peace understanding" requires the strict enforcement of MNLF and MILF's non-partisan revolutionary policies.

"Whoever is proven guilty of violating such rule shall be given appropriate punitive actions," Iqbal told selected local reporters, mostly correspondents of national dailies.

The trouble in Maganoy began in November last year when MNLF rebels raided several villages in the area, all known bailiwicks of incumbent Maganoy Mayor Andal Ampatuan. The areas harassed by the rebels are also lairs of the MILF, prompting its combatants to retaliate ferociously, using mortars and heavy firepowers.

The MILF-MNLF local peace covenant also prescribed the disengagement of all rebel combatants in the conflict, while adapting a defensive stance in their respective camps.

"This will restrain our forces...*the truth is that the MNLF and MILF have nothing to do with the violence...but they are related to some of the politicians*...projecting the impression that their participation in the trouble implies the direct involvement of the two fronts," Iqbal said.

Iqbal said the trouble in the towns of Maganoy, Datu Piang, and Talayan, involving some elements of the two organizations, was related to the forthcoming May 8 elections.

"Much of the violence is politically fueled. Grudges, though also a factor, are not much. The blood debtors (politicians) are just taking advantage of the situation," Iqbal said. "It is high time that we (MILF and MNLF) pool ourselves together to unmask the dreaded cancer in our society."

Under the agreement, leaders of both rebel groups shall initiate close coordination to prevent the escalation of hostilities between their forces.

The agreement was signed by Iqbal and his fellow MILF leaders Gazali Gaafar, Asraf Abdullah, Mussanip Abdullah, Sayeel Actao. Signing on the MNLF's behalf were Alfatah Abobakar, Abdulrahman Sema Dok Diocolano Zainudin Ali and Hamid Piang.

The rebel leaders promised to reprimand and impose severe punishment, including removal from the roster of the MNLF or MILF's ranks all rebels who violate the agreement.

Officials of the Autonomous Region in Muslim Mindanao yesterday lauded the leaders of both fronts for embarking on what was described as "very sensible" approach in addressing the raging conflict in the province which, has left some 40 dead from both sides.

The trouble had also caused the displacement of some 2,000 Muslim residents in the three towns, now housed in evacuation centers in nearby areas.

ABB Threatens Retaliation for Maid's Execution

BK1303022095 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 12 Mar 95

[FBIS Translated Text] The communist hit squad Alex Boncayao Brigade [ABB] has warned that they will retaliate against Singaporean officials if Flor Contemplacion [domestic worker in Singapore charged with murder] is executed. Targeted for retaliation by the ABB are officials of the Foreign Affairs and Justice Departments, the POEA [Philippine Overseas Employment Adminstration], and the OWWA [Overseas Workers Welfare Agency]. PNP [Philippine National Police] Chief Recarido Sarmiento ordered his men to tighten security at the Singaporean Embassy because of the ABB threat. Flor Contemplacion is set to be executed this Friday on charges of killing another Filipino maid, Delia Maga, and her ward. But according to new testimony, that of OCW [overseas contract workers] Emilia Frenilla, the employer of the murdered maid, not Contemplacion, is guilty of the charges.

Thailand

Weak Dollar To Cause 'No Impact' on Exports

BK1003140395 Bangkok Radio Thailand Network in Thai 1200 GMT 10 Mar 95

[FBIS Translated Text] The commerce minister has said he believes that the weak U.S. dollar will have no impact on Thailand's export target because the United States is not the only market for Thailand's products and the quality of Thai products is higher than the standard level. Commerce Minister Uthai Phimchaichon said the depreciation of the U.S. dollar might cause the price of

Thai products to rise, but exporters should always be ready to cope with any changes. He said:

[Begin Uthai recording] Prices will certainly rise because the value of our money has increased. Meanwhile, the United States is not the only market. We also export to the European and Japanese markets. The stronger yen and German mark will also help lower the price of our products. I believe we will be affected in some markets. Generally speaking, I think there will not be any change in our export target. [end recording]

Effect of Falling Dollar on Baht Viewed

BK1003153595 Bangkok THE NATION in English 10 Mar 95 pp A1, A3

[FBIS Transcribed Text] Chairmen of Securities and Exchange Commissions from the 12 so-called emerging markets, who will close their three-day conference here today, share a pessimistic view on the short-term outlook for capital markets worldwide in the wake of the currency market turmoil marked by sharp falls of the US dollar.

The top officials gave their impressions at a meeting hosted by Bank of Thailand Governor Wichit Suphinit. They have been attending the meeting of International Organization of Securities Commissions (IOSCO) which has 46 countries as members, including Thailand.

The Bangkok conference was also attended by officials from the Bank for International Settlements (BIS) and the Securities and Investment Board of the United Kingdom.

None of the participants from emerging countries were confident about the near-term future of stock and capital markets in emerging economies, including that of Thailand, after the dollar came under heavy pressure for four days and broke all previous records against the yen and mark.

Ekkamon Khiriwat, secretary-general of Thailand's Securities and Exchange Commission, said the fall of stock markets of the emerging economies were not triggered by the capital markets themselves, but by the chain effect of the currency market turmoil.

Any holders of dollars invested anywhere will lose money which will in turn result in the sale of assets and lower equity prices, he said, adding that the sharp fall of dollar has far-reaching effects because 50 per cent of the world's international payments are in dollar terms.

Dollars also account for about 60 per cent of most countries' reserve currency. Countries which peg their exchange rates with the dollar will be most severely hit. The Hong Kong dollar is an example, Ekkamon said.

Thailand's policy, in which the baht is managed according to the basket of currencies of the country's major trading partners, is the most suitable in current situation. It allows the baht to fluctuate in line with the dollar and other key currencies relevant to Thailand's trade, he said.

Investors in baht investments in the money or capital markets can still make some gains, with less downside risk, during the currency turmoil. To support the Thai capital market, Ekkamon called on the Bank of Thailand to fine-tune the monetary policy and adopt measures that will increase liquidity in currency, money and capital markets.

Emerging markets including Thailand were hard hit by the Mexican currency crisis. Foreign investment has flown out of the countries and investment bankers worldwide have a wrong concept that emerging markets are risky rather than profitable as they used to be.

"We probably were not the superstars they and we believed us to be before, but neither are we the problems, they and not us, think we are now. Investors have two motivations for acting: fear and greed," said Guillermo Harteneck, chairman of the Emerging Markets Committee, in his opening speech yesterday.

It is not the fault of foreign investors who have diluted or liquidated their holdings, Harteneck said, as even local players do the same.

He commented that emerging markets will come out stronger if they have correct fundamentals: right macroeconomy such as balanced fiscal accounts, stable currencies, high investment rates and free and open markets; free flow of capital; sound taxation and satisfactory market environment.

Harteneck is optimistic that the emerging markets will gradually become stronger as returns there are usually higher than in developed markets. While the markets have to provide attractive environments, investors also have to learn not to look at Southeast Asia and Latin America as regions with the same characteristics, whether good or bad.

"We as regulators cannot do much to bring about this change, except for helping to create the conditions in the markets to facilitate the change. In the future, our markets will be scrutinized much more closely. Nobody will want to make the same mistake twice and consequently conditions will be looked at very closely," concluded Harteneck.

To help the market, the Stock Exchange of Thailand [SET] yesterday relaxed the maintenance margin rules to help stock investors disturbed by 'unavoidable' events.

For the next nine months, securities companies extending margin loans to stock investors can lower their call margin from 35 to 25 per cent, while the forced sell level will be 15 per cent instead of 25 per cent previously.

Investors who have been asked for more cash, or required to liquidate their holdings earlier, will come under the retroactive adjustment.

Outstanding margin loans currently stand at around Bt130 billion, while call margins have reached Bt[baht]3 billion and forced-sell margins around Bt2 billion, according to the SET.

Brokers welcomed the move despite the fact the authorities decided to keep the initial margin unchanged, meaning the measure will help only investors who have opened margin accounts at a sharp decline in the value of stocks.

To open a new account means that more investment is being injected into the market because an investor still has to put up 50 per cent of the value of stocks.

The Bank of Thailand on Wednesday night started pumping funds via its latest means by providing direct interbank loans using the money from its development fund.

"The policy of the central bank now is to inject unlimited funds into the money market to add to the liquidity," Banking Department Director Suphot Kittisuwan said.

Although direct loans from the development fund, set up to help financial institutions during the difficult time, are not new, the central bank hardly lent min the past to anybody but outstanding banks and finance companies.

To ease the tight liquidity in the money market, the central bank traditionally injects cash via its two traditional channels: the repurchase market and the loan window.

Following the US dollar's slump a week ago, the Bank of Thailand has injected Bt14-15 billion via the repurchase market and the loan window to add more liquidity. Although the central bank refused to say how much it plans to pump into the market via the direct loans out of its development fund, it is believed that the central bank will inject no less than Bt20 billion into the entire system.

Prime Minister Chuan Meets With Kohl in Bonn

BK1003133195 Bangkok BANGKOK POST in English 10 Mar 95 p 6

[FBIS Transcribed Text] The joint meeting of the European Union and the Association of Southeast Asian Nations in Bangkok early next year should be attended only by leading figures rather than by thousands of officials in order to yield concrete results, Government Spokesman Akkhaphon Sorasuchat quoted German Chancellor Helmut Kohl as suggesting yesterday.

The suggestion was made during the first meeting ever between Mr. Kohl and Prime Minister Chuan Likphai in Bonn yesterday.

Those attending the meeting should be limited to leaders of participating countries so that there would be only 20-25 people at the meeting, Mr. Kohl was quoted as telling Mr. Chuan.

The German Chancellor proposed that EU should meet not only with ASEAN members but also leaders of ASEAN's neighbours, Mr. Akkhaphon said.

Prime Minister Chuan, meanwhile, told Mr. Kohl that Thai export has been affected over the move by Australia, Sweden, and Finland to subscribe to the EU. In response, Mr. Kohl said Germany was ready to help solve the issue and suggested that Thailand keep Germany informed of the problem.

As for bilateral issues, Mr. Chuan said during his talks with the German Chancellor that there was a strong need in Thailand over the next several years for investment in communications, transportation and several other infrastructural areas.

"Therefore, I would like to take this opportunity to invite you to consider participation in these projects," Mr. Chuan said.

Mr. Kohl gave Prime Minister Chuan his direct line number in case Thailand needed urgent help from Germany, Mr. Akkhaphon said.

Yesterday's meeting lasted about 45 minutes in a friendly atmosphere in Mr. Kohl's office. Later yesterday, Mr. Chuan and his delegation attended a dinner hosted by Dr. F. Schoser, president of the Association of German Chambers of Industry and Commerce.

During the dinner, Dr. Schoser said infrastructure projects in Thailand offered big opportunities to German businesses.

German companies would play on their strength to supply complete problem solving packages for Thailand's public utilities and private industries, Dr. Schoser said, according to Mr. Akkhaphon.

Chaiyot Asks Germany To Help Boost Exports to EU

BK1103145995 Bangkok BUSINESS DAY in English 11-12 Mar 95 p 1

[FBIS Transcribed Text] Thailand has asked Germany for assistance in increasing Thai exports to the EU (European Union). Deputy Minister of Commerce Chaiyot Sasomsap signed a Memorandum of Understanding with Germany's Deputy Economic Minister Robert Rommerd in which Thailand seeks economic cooperation from Germany to help promote Thai exports to the EU, particularly at a time when three other countries, Sweden, Finland and Austria, have joined the EU. Mr Chaiyot asked for higher quotas for Thai exports to the EU. With the entrance of three newcomers to the EU, the export quota for Thailand has remained the same, causing a loss of about 725 million baht, or the value of exports to the new EU members.

Senate Speaker Opposes Money-Laundering Bill

BK1003135795 Bangkok BANGKOK POST in English 10 Mar 95 pp 1, 3

[FBIS Transcribed Text] Implications of a proposed money laundering bill were a potential double-edged sword which needs to be carefully considered, cautioned Senate Speaker Michai Ruchuphan yesterday.

"It is a good thing. But we should not see it as just a measure to deal with criminals. Think of the innocent people who will be affected as well," said Mr. Michai.

As an example, he said a bank robbery could not be prevented by not allowing new commercial bank branches to be opened.

The bill, yet to be approved by Cabinet, was endorsed Wednesday by the Narcotics Control Board with an aim to curb laundering of "dirty" drug money.

Members of the board said they would like the bill amended to extend its scope, covering child prostitution and arms smuggling across borders.

The Senate speaker said he doubted whether the bill would be effective as intended. And broadening its scope to cover other crimes might cause confusion, he said.

"For instance, if a prostitute sends money earned from the sex trade to her parents, is this regarded as money laundering?" he said.

He objected to a clause in the bill which requires all cash deposits of more than 500,000 baht into bank accounts to be reported to the Finance Ministry.

The amount is too small and the requirement will affect the economy, he said.

He said many depositors who had confidential accounts would be subject to investigation.

The Senate speaker said he thought the best way to crack down on money laundering was to nail the criminals.

"If officials on the coast had not been ignorant, how could ships have been able to smuggle oil into the country? And about gambling dens and brothels, police must have known where these premises were, otherwise they would not have been able to collect protection fees," he said.

Mr. Michai's doubts were countered by University Affairs Minister Thawin Phraison who welcomed the anti-money laundering bill.

Mr. Thawin said the bill should have been endorsed a long time ago.

While some people seemed to oppose the bill as an invasion of privacy, Mr. Thawin said if money was gained honestly, the owner should not refuse to have his bank accounts checked.

He said a royal decree would provide a way out on the issue. He said the next parliamentary session in May was crucial since many bills would be forwarded, including the money laundering bill and the administrative court bill.

Report on Thais With Fake U.S. Banknotes

BK1003140295 Bangkok BANGKOK POST in English 10 Mar 95 p 8

[FBIS Transcribed Text] Four Thais arrested by Khmer officials recently for alleged involvement in trading counterfeit US banknotes have been sent to Phnom Penh for interrogation, a Cambodian official attached to the Cambodia-Thai Coordination Office said yesterday.

The four were identified as Phap Laocharoen, 52, Mana Choicharoen, 32, Manit Angkhachan, 57, and Somchai Manothai, 32.

It was alleged about ten arrested suspects tried to smuggle counterfeit US banknotes totalling $1.5 million into Cambodia.

The official, Lt-Col Thim Saret, said suspects, if found guilty, faced imprisonment up to 20 years on charges of undermining national economic security.

Joint Fisheries Talks With SRV Reported

'Order at Sea' Discussed

BK1003140095 Bangkok BANGKOK POST in English 10 Mar 95 p 8

[FBIS Transcribed Text] Vietnam's Deputy Foreign Minister Vu Khoan said yesterday that its top priority is to establish order at sea in the Gulf of Thailand before moving to other areas of maritime cooperation with Thailand.

He admitted that in the past fisheries joint ventures with Thailand have not been successful and Vietnam wants to discuss the issue with Thailand.

The two countries yesterday began a three-day meeting of the Joint Committee on Fisheries Cooperation and Order of the Sea in Phuket.

It is the first such meeting since the joint committee was set up following an agreement between Prime Minister Chuan Likphai and Premier Vo Van Kiet during the former's official visit to Hanoi last March.

Mr. Vu Khoan and his Thai counterpart Surin Phitsuwan are scheduled to co-chair the meeting from today.

The priority is to establish order at sea in order to create more favourable conditions for future cooperation in this area, Mr. Vu Khoan said.

He expressed the hope that the talks would be fruitful and that both countries can find common understanding and measures to prevent incidents in the seas and to solve any remaining bilateral problems.

"We're very happy that the relationship between our two countries is developing and expanding significantly. I'm sure that the negotiations will be very successful," he said.

Vietnam attaches much importance to fisheries because it has a long Pacific coastline, but due to its small and weak fishing fleet, the country is trying to increase the number of its fishing facilities.

"I can say we're satisfied with the cooperation with Thai business circles," he said, "but unfortunately the joint ventures on fisheries were not so successful. That's why we want to discuss it in order to improve cooperation in this area."

A Thai fishing company commented that the problems of fisheries in Vietnam's waters stemmed from the uncertainty over fishing policies of the Hanoi government and the provincial authorities.

Wichan Sirichai-ekkawat of Sirichai Fishery Co said the reason he withdrew his joint venture two years ago from Vung Tao, one of the southern provinces of Vietnam, was the internal conflict of interest between the central and the local governments.

Hanoi banned the activities of all foreign fishing vessels in February last year, and has ordered a review of foreign involvement in its fisheries.

However, the provincial authorities still granted concessions to some Thai companies. Their trawlers were seized and the crews imprisoned by Vietnam's Navy.

Agreement Signed

BK1103144795 Bangkok Radio Thailand Network in Thai 0530 GMT 11 Mar 95

[FBIS Translated Text] The first high-level Thai-Vietnamese Joint Committee on Fisheries and Sea Order signed an agreement of cooperation this morning at the Phukhet Archaedia Hotel, the resort island Province of Phuket.

Representing the Thai side at the signing ceremony was Deputy Foreign Minister Surin Phitsuwan, while Vietnam was represented by Vietnamese Deputy Foreign Minister Vu Khoan.

The Thai deputy foreign minister reported that both sides were satisfied with the results of the meeting in which an important cooperation agreement was reached. Vietnam confirmed that from now on there will be no arrest or detention of Thai violators of Vietnamese territorial waters for fishing purposes only. They will only be fined instead. Vietnam expressed its willingness to cooperate with Thailand in jointly developing marine resources. The joint development project will be launched on 1 May if possible. The survey of sea resources is expected to last a year. In so doing, the navies of the two countries will be asked to carry out joint border patrol operations aimed at avoiding any misunderstanding for violation of territorial waters. This is regarded as another step of the bilateral cooperation in establishing order at the sea.

Further on Agreement

BK1203084995 Bangkok BANGKOK POST in English 11 Mar 95 p 6

[Report by Nutsara Sawatsawang and Woranan Khrongbunying]

[FBIS Transcribed Text] Thailand and Vietnam yesterday agreed to jointly survey natural resources in the Gulf of Thailand, after years of often heated conflict especially over fisheries.

However, at the end of the second day of talks at the first Joint Committee on Fisheries and Sea Order meeting, both sides were yet to agree on a Thai proposal for joint patrol of the seas.

Deputy Foreign Minister Surin Phitsuwan, who is co-chairing the meeting with Vietnamese counterpart Vu Khoan, said Thailand proposed that joint patrol of the Gulf be discussed in detail at the meeting which ends today.

He said joint patrol, which is one way to establish order at sea and which could prevent incidents, would be under the responsibility of the Royal Thai and Vietnamese navies.

But a Navy officer said that during a working group meeting, the Vietnamese side claimed it would be difficult to implement because of the language barrier and because Vietnam had a small fleet which mostly patrolled the South China Sea near the disputed Spratly Islands.

The Vietnamese side said it would bring the proposal for discussion at a technical level including with its Navy which was not part of the Vietnamese delegation to the meeting, the officer said.

The officer, who asked to remain anonymous said the Vietnamese Navy could not apply international marine light coding to communicate with Thailand because of the difference between western and eastern coding.

Meanwhile, Plotprasop Suratsawadi, Fisheries Department director- general, said the joint survey of maritime resources would be jointly conducted by the Fisheries Departments of the two countries, and the Southeast Asian Fisheries Development Center (SEAFDC).

The SEAFDC, a regional fisheries cooperation, has been actively engaged in research and training, and development of technology in marine fisheries, including post-harvest technology and aquaculture.

The one-year survey is scheduled to start from May 1, 1995 until April 30, 1996, Mr Plotprasop said.

To consequently reduce tension over fishing rights, Thailand proposed that Vietnam consider giving at least 10-15 per cent of the concession it has given in the past.

Mr Plotprasop said if Vietnam agreed, his department would help screen Thai trawlers who apply for concessions.

Thailand has made a similar proposal to Burma, another country with whom it has problems in the lucrative fishing business. Those negotiations failed to produce desired results to protect mutual benefits.

Mr Surin said the deal which did not work with Burma, may work with Vietnam.

In his opening address, Mr Surin said the momentum to resolve problems between Thailand and Vietnam was growing as Vietnam is about to join the Association of Southeast Asian Nations.

At yesterday's meeting Thailand also proposed to release fishing crews detained in each country's prisons as an exchange to mark the Jubilee Anniversary of His Majesty the King's Accession to the Throne, Mr Surin said.

There are 113 Thai fishermen detained in Vietnam's Kien Giang province and seven Vietnamese in Songkhla province.

Vietnam, meanwhile, asked Thailand to return a fishing trawler recently seized by Thai authorities in Songkhla. Both Thais and Vietnamese claim ownership of the trawler, a meeting source said.

The trawler, equipped with weapons and a crew of Thai, Cambodian, and Vietnamese fishermen. Investigations revealed it had been registered in both Thailand and Vietnam.

The meeting did not raise the issue of overlapping zones as expected. Mr Surin told reporters that both countries had early this year developed common understanding on framework to delineate maritime borders.

Another meeting, scheduled to be held in Ho Chi Minh City in June, should draw some conclusions before the two countries start technical surveys for delineation, said an other meeting source close to the issue. Vietnamese Deputy Foreign Minister Vu Khoan expressed satisfaction with the meeting, saying it had proceeded in a constructive way.

He said his government would hold a conference with provincial authorities to establish a clearer idea about sea orders to prevent conflict.

The government was also expected to announce regulations and a common control system to avoid the use of force in the case of an intrusion into each other's waters.

SRV To Set Up Agency

BK1203091795 Bangkok THE SUNDAY POST in English 12 Mar 95 p 4

[FBIS Transcribed Text] Phuket—Vietnam is preparing to establish a central agency to take responsibility for the country's coastal activities and resolve conflicts with other countries in its territorial waters.

According to an informed source, the Vietnamese delegation told the first meeting of the Thai-Vietnamese Joint Committee on Fisheries and Order at Sea, which ended here yesterday, that their government will discuss the concept with naval and provincial authorities .

The measure signals an effort by Hanoi to settle uncertainties over central policies by the country's local governments, particularly in the south.

"The central agency could take the form of a coast guard. They may even join the Thai navy to jointly patrol the Gulf of Thailand," the source said.

At present, the Vietnamese government does not have total control over its coast line.

Rather, each provincial authority is responsible and it is often armed, private Vietnamese vessels which capture Thai trawlers.

Deputy foreign minister Surin Phitsuwan stressed it is necessary for countries sharing territorial waters to have joint patrols, such as Thailand currently has with Malaysia.

His Vietnamese counterpart Vu Khoan, who also co-chaired the meeting, said it was too short and that both sides had insufficient time to discuss the joint patrol idea in detail.

The navies of both countries will further discuss the possibility of joint patrols later, Mr Surin added.

Vietnam reaffirmed to the Thai delegation that violations of fisheries regulations in its EEZ [exclusive economic zone] would not constitute an offence entailing imprisonment, said Mr Surin.

Imprisonment will only be imposed for other criminal offences committed in conjunction with fishery offenses.

"Vietnam realises the importance of friendship between neighbouring countries. Therefore, we will not prosecute over this issue alone," Mr Vu Khoan said.

Mr Surin said that Vietnam's clear policy would increase confidence among Thai fishing companies and strengthen investment and cooperation concerning fisheries activities with Vietnam.

Both sides agreed to conform with international laws regarding the treatment of vessels detained and crews arrested, and to exchange information once the incidents had occurred, he said.

Mr Vu Khoan said the two countries would try to avoid the use of force in resolving problems and would foster full cooperation, adding: "We agreed that when incidents arise, we should resolve them in the spirit of ASEAN, which Vietnam will soon become a full member of."

More Karen Refugees Seized in Thai Camp

BK1103150495 Bangkok THE NATION in English 11 Mar 95 p A6

[FBIS Transcribed Text] Mae Sot—Nine Karen refugees, including a community leader and his family, were seized in a camp in Thailand by members of a Karen guerrilla splinter group and forced back to Burma, refugee leaders said yesterday.

Thirty members of the splinter group, the Democratic Kayin [Karen] Buddhist Army (DKBA), crossed from Burma into the camp in northwestern Thailand and seized camp leader Saw Gay Phlo, six members of his family, and two others late on Thursday, the refugee officials said.

The kidnappings were the latest in recent weeks involving members of the DKBA, who joined forces with Burmese government troops after mutinying against the leaders of the Christian-led anti-Rangoon Karen National Union (KNU) in December.

The Karen refugee officials said the Burmese government wanted to pressure seized leaders to join them and then appeal to Karen refugees in Thailand to go back to Burma to undermine the support of the KNU.

In a separate incident two refugees were shot and killed when DKBA members entered another camp and tried to rob some of the inhabitants, the officials said.

Thailand has complained to Burma twice over such incidents saying the displaced Karen were staying in Thailand for humanitarian reasons and were Thailand's responsibility while they remained on the Thai side of the border.

There are more than 60,000 Karen refugees in Thailand.

Reportage on King's Treatment for Chest Pains

Admitted to Hospital

BK1103084295 Bangkok Radio Thailand Network in Thai 0530 GMT 11 Mar 95

["Statement No. 3 issued by the Royal Household in Bangkok" on 11 March—read by announcer]

[FBIS Translated Text] At 1930 on 6 March 1995, his majesty the king suffered chest discomfort while he was doing a daily physical exercise at the Dusitdalai Hall, Chitlada Palace. A panel of doctors examined him and found that his blood pressure was higher than normal. The panel concluded that the sympthoms were caused by an insufficient supply of blood to the heart muscle for a short period. The medical panel treated him until his condition indicated improvement, and the king was able to move to another room in Chitlada Palace. The medical team continued to provide him with medical treatment, and his condition improved. The king suffered another episode chest pain and sensed irregular heart beats at 0800 yesterday morning. In the afternoon of the same day, the chest pain gradually dissipated. The team of doctors deemed it suitable to advise him to receive special checks and further treatment at Sirirat Hospital. The public is hereby informed.

Condition 'Satisfactory'

BK1103123995 Bangkok Radio Thailand Network in Thai 1200 GMT 11 Mar 95

["Statement No. 4 issued by the Royal Household in Bangkok" on 11 March—read by announcer]

[FBIS Translated Text] His majesty the king on 10 March 1995 underwent a special examination at Sirirat Hospital. As a result of the check, it was found that he had one of his coronary arteries blocked. The team of doctors successfully opened up the artery at 1630 on 11 March. His condition is satisfactory.

'No Complications'

BK1203124895 Bangkok Radio Thailand Network in Thai 1200 GMT 12 Mar 95

["Statement No. 5 issued by the Royal Household Bureau in Bangkok" on 12 March—read by announcer]

[FBIS Translated Text] Following treatment by a team of doctors to dilate a coronary artery of His Majesty the King at 1630 on 11 March 1995, the King's condition has improved gradually in the past 24 hours. He can eat and sleep well. His heart beat is normal. There are no complications. The team of doctors is satisfied with the results of the treatment and the King's condition.

Vietnam

Joint Search Uncovers Possible American Remains

BK1103104095 Hanoi Voice of Vietnam in English 1000 GMT 11 Mar 95

[FBIS Transcribed Text] Investigators searching in Vietnamese jungles and rice paddies have recovered several remains thought to be of the Americans missing in action from the Vietnam War.

According to AP News Agency, teams of U.S. and Vietnamese specialists dugged up bone chips and other physical remains while working at various sites and areas where aircrafts had crashed. The teams began work on 16 February on a five-week search was clues to the fate of as many as 85 missing men. The mission is related in series that started in 1988. [passage as heard]

Reportage on Visit by Burmese Prime Minister

Radio Welcomes Visit

BK1003140895 Hanoi Voice of Vietnam in English 1000 GMT 9 Mar 95

[Station commentary]

[FBIS Transcribed Text] Myanmar [Burmese] Prime Minister Than Shwe arrived in Hanoi on Thursday afternoon for an official visit to Vietnam. On this event, our radio editor has the following comments.

Myanmar [Burma] is also called the country of golden pagoda. Over the last [word indistinct] five decades in its independence, Myanmar has constantly renewed itself. The policy of national reconciliation and the shift of economy over to the market-oriented one by the government over the past several years have recorded in current achievements. At present, the country is not only self-sufficient on food, but also has food reserved for export. It has started important industries. The dismantlement of last days [as heard] of the rebels in Karen along the Myanmar-Thai border has further stabilized and facilitated the environment of national construction and development.

Lying on the east and west of Indochinese peninsula, Vietnam and Myanmar has long been close friends. At present, both sides wish to defend the national independence and freedom, and peace and stability in the region. This shared view creates firm foundation for strengthening cooperative ties between the two countries. Moreover, the substantial visit to Myanmar by Vietnamese Prime Minister Vo Van Kiet last year, and the implementation of some agreements on trade, tourism, cooperation, and the activities of the joint committee for bilateral cooperation have created an impetus for the development of friendship and cooperative ties between the two countries.

The current visit to Vietnam by Prime Minister Than Shwe expresses the desire of leaders of both countries to continue strengthening bilateral ties for national construction and development of each country. Vietnam and Myanmar have and are creating favorable conditions for different sectors to seek opportunities and develop ties in the fields of food and timber processing, oil refinery, tourism, and culture. At late, the Vietnamese head of state has affirmed that Vietnam would do all it can to cultivate the friendship and cooperation with Myanmar, on the basis of respect for each other's sovereignty and non-interference of each other's internal affairs, equality, and mutual benefit. This would serve as a firm basis for people to be convinced that the current visit to Vietnam by the head of the government of Myanmar will be a success and will be one of the new factors consolidating and further developing the cooperation and friendship between Vietnam and Myanmar.

Vo Van Kiet Hosts Banquet

BK1103093795 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 9 Mar 95

[FBIS Translated Text] Dear friends: This evening at the Government Guest House, Prime Minister Vo Van Kiet and his wife hosted a solemn banquet for Senior General Than Shwe, his wife, and other distinguished Burmese guests who are on an official visit to our country. Also attending the banquet were members of the government.

At the banquet, Prime Minister Vo Van Kiet delivered a welcome speech as follows:

[Begin Vo Van Kiet recording in Vietnamese fading into English translation] Your Excellency Prime Minister Than Shwe and Madam Than Shwe, distinguished Burmese guests, ladies and gentlemen; First of all, on behalf of the Vietnamese Government and people, I heartily welcome Your Excellency Prime Minister Than Shwe, Madam Than Shwe, and distinguished Burmese guests, from your Golden Pagoda country to a friendly and official visit to Vietnam. Your visit brings to the Vietnamese people profound sentiments of the Burmese people who have always been close friends of the Vietnamese people. Your excellency's visit this time is another important event in the history of the friendly relations between the two countries. We inherited and will further develop the fine traditional relations which have been nurtured by the two peoples for many decades in the past. We welcome Your Excellency Prime Minister and Burmese high-ranking leaders with the joy of witnessing the friendly relations and multilateral cooperation between our countries being brought to a new phase. We have reasons to optimistically affirm that the potential cooperation between our countries is excellent because the cooperation responds to the aspirations of the two peoples and current trend in the region, and at the same time, Vietnam and Burma are both potentially capable of assisting each other for mutual development. I am certain that the visit by Your Excellency Prime Minister and the Burmese leaders, the first meeting of the Vietnam-Burma joint committee, and the documents to be signed on this occasion will create a new motive for further development of the Vietnam-Burma relations.

Your Excellency Prime Minister and friends: Our distinguished Burmese guests pay an official visit to Vietnam at a time when our people are joyfully preparing for our important holidays, especially the 50th anniversary of the day our President Ho Chi Minh issued the independence declaration marking the birth of the new Vietnam state, an independent and free Vietnam. In later years, our people had been rigorously struggling to protect our independence and during that period, the people of Burma have generously and sincerely supported the people of Vietnam. Once again, I would like to express profound gratitude from the people of Vietnam for the support with affection of the Burmese people. Also in this occasion, I would like to reaffirm the consistent policy of Vietnamese Government of highly regarding the development of the traditional friendly relations and multilateral cooperation with Burma on the basis of respect to independence, sovereignty, non-interference in each other's internal affairs, equality, and mutual benefit. I consider this a positive factor contributing to peace, cooperation, and prosperity of Southeast Asia.

Ladies and gentlemen: The friendly atmosphere of the banquet today reminds me of unforgettable memories of the beautiful country of Burma and its hospitable people which have deeply impressed me during the visit to Burma in May 1994. Today, we would also like to share with our friends the joy of witnessing positive changes for the better of Burma and the important achievements scored by the people of Burma in the undertaking of building stability and prosperity for the country.

I would like to propose a toast for the consolidation and development of the friendly relations and multilateral cooperation between Vietnam and Burma, for the prosperity and happiness of the people of Burma, for good health of Your Excellency Prime Minister and Madam Than Shwe, and for good health of our Burmese guests and all friends present here today. [end recording]

Than Shwe Speaks at Banquet

BK1103125395 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 9 Mar 95

[Full text of speech by General Prime Minister Than Shwe of Myanmar at state banquet held in Hanoi on 9 Mar—Than Shwe recording fading into Vietnamese translation]

[FBIS Translated Text] Dear Excellency Prime Minister Vo Van Kiet and his wife, distinguished guests, and friends:

Accepting your excellency's invitation, I am now paying a goodwill visit to Vietnam, our friendly neighbor, with great enthusiasm and profound respect. My wife and I feel honored and privileged to meet you when our long-term friendship ties that began when President Ho Chi Minh paid a goodwill visit to our country has been improving greatly.

On arriving in Vietnam, we were very moved at the warm reception given to us and the Myanmar [Burmese] delegation. The reception reflects the fraternity that the Vietnamese Government and people have for us. On this occasion, I would like to express our honest appreciation to our kindhearted hosts and to convey our Myanmar people's best greetings to the Vietnamese people.

Living in the same region, Myanmar and Vietnam share many similarities in history and culture as well as experiences in regaining independence. The most significant thing is our long-term and traditional friendship has been built on a firm foundation of mutual assistance and understanding. This friendship has been tested with time. Global changes have never affected our fine and close neighborly friendship. Moreover, this friendship has been strengthened by our similar ideas on regional and international issues. After working together to help the birth of the current Nonaligned Movement, both countries have put minds and hearts together to contribute to regional stability. At the same time, we have strived to modernize our countries and improve our people's living standards.

Dear Excellency Prime Minister: Our two nations are agricultural countries striving to develop the market economy. The close ties we have cultivated will bring prosperity to our two countries through our exchange of experiences and efforts to strengthen mutual cooperation and benefits. It is precisely because of these close ties, built on the basis of friendship, goodwill, and mutual understanding, that a momentum will be created for new developments.

I am glad to know that in recent years, the fine friendship and our neighborly cooperation has entered a new development stage with mutual visits by leaders of the two countries. I happily remember your visit to our country last year that gave important progress to our ties. I sincerely hope that my visit to Vietnam will contribute to building a firm foundation for future exchanges and cooperation.

The Myanmar people share the joy of the positive developments in Vietnam at present. I would like to specially congratulate you for Vietnam's quick success in renovation under your leadership. The Vietnamese people have scored important achievements in the gradual process of national industrialization and modernization. The Vietnamese Government has made outstanding efforts to maintain national stability while striving for a prosperous population, powerful country, and equitable society. We sincerely wish your government and people greater achievements in national development.

In Myanmar, we have implemented a concurrent reform policy in politics and the economy. In recent years, since we have entered into a new era in contemporary history, the Myanmar economy has developed firmly. In the better atmosphere of a market economy, every Myanmar economic sector has been expanding. We have scored rice production records. The production of oil and gas and mineral resources have increased. Infrastructure projects have made good progress. International organizations have helped us improve our people's living standards, both in the city and rural areas. The Myanmar Government is doing its best to maintain political stability, accelerate national reconciliation, build a democratic regime, and preserve the traditional values of our culture and history. We understand that we still have to face difficulties and challenges along our development path. However, we believe that with our capacity and resources, we will overcome any obstacle and build a stable, prosperous, and modern country.

Your Excellency, I strongly believe that when mutual trust and goodwill have been established, the long-term friendship ties between friends and neighbors will rest on a firm foundation. In the atmosphere of friendship in your beautiful country, I am elated to witness the firm development of our friendship, which I treasure even more. We realize that the current world is full of changes while complicated and delicate situations can be beyond of our control. Our development progress cannot be implemented simply. Myanmar and Vietnam have observed the five principles of time-honored peaceful coexistence and actively contributed to peace and stability in the region. At the same time, we have cooperative ties and ties with other neighboring countries and friends in the region and the world. I believe Myanmar and Vietnam will not lack the spirit of cooperation, understanding, and trust while we cooperate with other countries in the region to build an Asia of peace, stability, and prosperity in the coming years.

Your Excellency, distinguished guests, and friends: I invite everyone to toast to the stable friendship between the Union of Myanmar and the Socialist Republic of Vietnam and for the good health and happiness of SRV State President Le Duc Anh, Vo Van Kiet and his wife, and all distinguished guests and friends present tonight.

Do Muoi Receives Than Shwe

BK1103125795 Hanoi VNA in English 1513 GMT 10 Mar 95

[FBIS Transcribed Text] Hanoi VNA March 10—General Secretary of the Communist Party of Vietnam Do Muoi this afternoon received here Myanmar [Burma] Prime Minister Senior General Than Shwe and his entourage, who paid him a courtesy visit.

At the reception, host and guest informed each other of the situation of each country. They talked about the orientations to further strengthen the relations between the two countries, and about some international issues of common concern.

General Secretary Do Muoi welcomed prime minister and his party's visit to Vietnam as an event of historical significance a turning point in the development of the friendship and cooperation between the two countries. He stressed that Vietnam and Myanmar are friendly neighbours and they have many similarities which, he said, would help expand their cooperation in various fields.

For his part, Prime Minister Than Shwe expressed his rejoice to meet with some Vietnamese leaders to exchange experiences in national construction, and, to joint efforts to promote the friendship and to expand bilateral cooperation. He said he wished the Vietnamese people still greater achievements in their social economic development and national construction.

Prime Minister Than Shwe invited General Secretary Do Muoi to visit Myanmar. The latter accepted the invitation with pleasure.

Foreign Minister Nguyen Manh Cam, secretary of the party Central Committee, Mr. Hong Ha, and Forestry Minister Nguyen Quang Ha were also present at the reception.

Earlier, Prime Minister Than Shwe, his wife and their party paid a floral tribute to President Ho Chi Minh at his mausoleum. They also visited some economic establishments.

The same day, Mrs Than Shwe called at Quan Du Pagoda in Hanoi.

This evening, the Vietnamese artists gave an art performance to welcome the Myanmar distinguished guests.

Joint Commission With Burma Meets 6-9 Mar

BK1103093395 Hanoi VNA in English 1534 GMT 9 Mar 95

[FBIS Transcribed Text] Hanoi VNA March 9—The Vietnam-Myanmar [Burma] Joint Commission for Bilateral Cooperation held its first meeting here from March 6-9.

The meeting was attended by a Vietnamese delegation led by Foreign Minister Nguhen Manh Cam, and a Myanmar delegation led by Foreign Minister U Ohn Gyaw.

Mr Vo Hong Phuc, deputy head of the Vietnam State Planning Committee and Mr. U Tin Tun, general director of Myanmar's Foreign Ministry were also present.

During the meeting, the two sides reviewed the implementation of the cooperation agreements reached during the official Myanmar visit by Prime Minister Vo Van Kiet in May 1994, and expressed their satisfaction at the fine implementation of these agreements. They noted that their economic-commercial cooperation has not matched up to their political relations as well as their potential and aspiration. They agreed to promote their inquiries into their markets through exchanges of visits, organisation of and participation in fairs and exhibitions.

The two sides highly valued the sharing of experience in various fields such as forestry, agriculture, precious stone, drug fighting, education and training.

The two sides expressed their pleasure at the fine development of the trend for peace, stability and cooperation in the region, and reaffirmed their desire to make greater contributions to this trend not only for the common interests of the countries in the region but also for peace, stability, and cooperation in the world.

Burmese Foreign Minister on Bilateral Ties

BK1103095395 Hanoi VNA in English 1333 GMT 10 Mar 95

[FBIS Transcribed Text] Hanoi VNA March 10—The prospect for future cooperation between Vietnam and Myanmar [Burma] is very bright, said Minister for Foreign Affairs U Ohn Gyaw, who is accompanying Senior Gen. Than Shwe, and prime minister of the union of Myanmar, now on a five-day official visit to Vietnam.

In an exclusive interview with the national daily NHAN DAN today, Foreign Minister [F.M.] U Ohn Gyaw said Vietnam and Myanmar share a lot of similarities, not only in history, culture, customs and tradition, but also in economic background and efforts. He stressed the need for both countries to share experience in national developments.

The two countries enjoy a traditional friendship and a history of cooperation, he said, adding that they have worked together in agriculture, forestry, energy, mining and in the fight against drug trafficking and abuse. The Myanmar chief diplomat spoke highly of the Intergovernmental Commission for Cooperation, co-headed by the foreign ministers of the two countries. He said the commission has facilitated the further expansion and promotion of bilateral cooperation which was demonstrated clearly in its first session held in Hanoi just the eve of visit by Senior Gen. Than Shwe.

Referring the regional relationship, Mr U Ohn Gyaw said the cooperation among countries in Southeast Asia is beneficial not only to each country's national progress but also to the development of the region. Myanmar supports the expansion of ASEAN to 10 members—including Vietnam, Laos, Cambodia and Myanmar—as a positive step along the lines of enhancing peace, stability and prosperity in the region, the Myanmar F.M. said. He took this opportunity to express support for Vietnam's positive role in the ASEAN in capacity as a full member in the coming time.

Joint Cooperation Agreements Signed With Burma

BK1203080395 Hanoi VNA in English 1429 GMT 11 Mar 95

[FBIS Transcribed Text] Hanoi VNA March 11—Cooperation documents between Vietnam and Myanmar [Burma] were signed here this afternoon.

The minutes on the first meeting of the Joint Vietnam-Myanmar Cooperation Committee, and a cooperation agreement on drug control between Vietnam National Committee on Drug Control and Prevention and the Myanmar Central Committee on drug abuse control were signed by Foreign Minister Nguyen Manh Cam and his Myanmar counterpart U Ohn Gyaw.

Signatories to an agreement on forestry cooperation are Minister of Forestry Nguyen Quang Ha and his counterpart Lt. General Chit Swe. Prime Minister Vo Van Kiet and Than Shwe witnessed the signing.

Authority Over Foreign-Funded Projects Outlined

BK1203141495 Hanoi VIETNAM INVESTMENT REVIEW in English 2-8 Jan 95 pp 1, 8

[FBIS Transcribed Text] In a sweeping measure aimed at streamlining Vietnam's cumbersome bureaucracy in order to hasten the pace of investment, the Prime Minister's Office [PMO] has issued a decree assuming control of all foreign investments greater than US$40 million.

The decree stipulates the formulation, evaluation, and implementation of foreign direct investment projects in accordance with the Foreign Investment Law in Vietnam including infrastructure projects in export processing zones industrial parks and build-operate-transfer [BOT] projects unless the law provides otherwise.

According to the decree signed by Prime Minister Vo Van Kiet on 28 December 1994 the Prime Minister will decide on projects of Group A which comprises:

—Infrastructure construction for industrial parks, export processing zones, and BOT projects;

—Projects with investment capital of US$40 million and more under the following branches: electric, mining, oil and gas, metallurgical, cement, chemicals, engineering, electronic, sea ports, airports, telecommunications, trade centers, cultural and tourist areas, and real estate business branches;

—Cultural, press and publishing projects;

—Projects in the national defense and security areas;

—Projects using urban land of from five hectares and more and other kinds of land of from 50 hectares and more.

The Chairman of the State Committee for Cooperation and Investment (SCCI) will decide on projects of Group B which do not belong to Group A.

The consideration of land lease to implement the projects shall be conducted along with the evaluation of the projects.

For projects of Group A the chairman of the SCCI shall gather ideas of the ministries concerned and then submit these projects to the prime minister for consideration and decision.

In cases where outside ministries have different ideas about the important issues of the projects, the chairman of the SCCI has the authority to set up a consulting council consisting of ministry officials and experts to consider the projects before submitting them to the prime minister for consideration and decision.

Time limits for the evaluation of investment projects have also been set by the Decree. Within 20 days after receipt of project documentation, ministries must contribute their ideas in writing to SCCI in relation to the content of the projects and only in the framework of the scope of their management.

When the time limit is over with no ideas provided in writing, it is considered that the ministries concerned have accepted the contents of the projects under evaluation.

Projects that fall under the prime minister's jurisdiction will have a 50-day time frame after receipt of regular project documents.

The chairman of the SCCI must then submit the ideas concerning project evaluation to the prime minister.

Within seven days after receipt of the decision of the prime minister, the chairman of the SCCI shall give notice about the decision to investors.

For projects under direct evaluation by SCCI, a time frame of 45 days after receipt of the regular project documentation has been set to give notice about its decision to investors.

The decree also stipulates as follows:

Within 20 days after receipt of project documents, the provincial People's Committees shall contribute their ideas in writing and send them to the SCCI in relation to:

—The juridical person status of foreign and Vietnamese parties;

—The conformity of project objectives and locations with the planning and the direction of social and economic development in localities;

—The right to land use of the Vietnamese party, the land area under use by projects, the land rents and the plan to compensate for ground surface leveling;

—The value of assets for capital contribution by the Vietnamese party (if any).

If the abovesaid time limit expires without comments made in writing, this shall be considered as approving the project.

The content of valuation of investment projects will comprise:

—Legal status, financial standing of foreign investors in Vietnam

—The conformity of project objectives with the planning and direction of social and economic development;

—The interests of the State of Vietnam and the Communist Party;

—The possibility to create new production capability, new professions and new products, and expand the market;

—The possibility to create jobs for laborers, financial revenue source;

—The level of applied techniques and technology; the recreational use and protection of resources; the protection of ecological environment;

—The rationality of the use of land; plan to compensate for the surface leveling; the fixing of the asset value for capital contribution of the Vietnamese party (if any);

—The levels of taxes, rents of land, sea and water surfaces and preferences.

The prime minister, according to the decree, will decide on land lease for Group A projects. The Prime Minister of the Government shall delegate to the Chairmen of the Provincial People's Committees to make a decision on land lease for Group B projects.

The decision on land lease, signing of contracts on land lease and the supply of the Certificate on the right to land use shall be completed within 30 days after receipt of the Investment License.

Investors are responsible for project safety, prevention of and the fight against fire and explosion and the protection of the environment during the construction and term of the project.

The organization of design evaluation and the granting of the construction permit are stipulated as follows:

—The Minister of Construction shall evaluate the designs of Group A projects. The Chairmen of the provincial People's Committees shall evaluate the designs of Group B projects.

—Investors shall have to submit the design documents at the provincial People's Committees.

—Within seven days after receipt of the design documents of Group A projects, the provincial People's Committees shall contribute their ideas in writing attached with the design documents and send them to the Ministry of Construction. Within 20 days after receipt of the regular design documents, the Ministry of Construction shall have to complete its evaluation of the designs.

— Within 20 days after receipt of the regular design documents of the Group B projects, the provincial People's Committees shall have to complete their evaluation of the designs.

—The construction permit shall have to be issued within 10 days after receipt by the permit granting agency of all regular documents.

When the construction of the project is completed, investors shall have to make a report to the building permit granting agency concerning the completion of the project construction, and until then they are allowed to put the project to use.

In necessary cases, the construction permit granting agency shall conduct investigations of the project; if any breaches of the construction permit and the approved design technical standards are discovered, the handling measures shall be taken in conformity with the stipulations of the Law.

Within six months after completion of the construction of the project, investors shall have to make a report on accounting of invested capital to the SCCI.

Within 30 days after receipt of the documents to apply for the import license, the Ministry of Commerce shall issue the import license, in which the items of imported goods that shall enjoy exemption of import tax as stipulated by the Law shall have to be clearly stated.

With respect to the equipment that requires strict control over labor safety, the Ministry of Commerce shall work with the Ministry of Labor, War Invalids and Social Affairs in considering and approving the import license. With respect to the used equipment, the Ministry of Commerce shall combine work with the economically and technically specialized ministries in considering and approving the import license.

Investors shall be responsible for strictly observing the stipulations of the Law concerning environmental protection.

The Ministry of Science, Technology and Environment shall issue the criteria on environmental protection, organize investigations concerning the implementation of these criteria and give timely, serious handling to the breaches of the stipulations of the Law, including the cessation of all operations of the enterprise concerned if it makes a bad impact on environment beyond the permitted limit.

Enterprises are entitled to their autonomy in production and business but State agencies (ministries, provincial People's Committees) shall exercise their managerial functions:

—To follow up the operations of enterprises and resolve in time all the reasonable petitions of the enterprises;

—To handle all the disputes arising during the enterprise's operations;

—To handle seriously and timely all breaches of the Law by the enterprises.

Provincial People's Committees shall exercise their State managerial functions over the enterprises located in their territorial areas. With respect to the issues that go beyond their power, provincial People's Committees shall coordinate with the functional ministries and the SCCI for settlement.

Ministries and the provincial People's Committees shall join work with the SCCI in conducting investigations and examinations of the operations of enterprises in order to ensure that the law is seriously observed.

It is strictly prohibited to conduct any illegal, carefree examinations, causing troubles to the operations of the enterprises.

The SCCI and the General Department of Statistics shall issue sample statistical reports on the situation of operations of enterprises.

The SCCI is responsible for making periodical review of the situation, and analyzing and evaluating foreign direct investment activities on a nationwide scale.

Memo Signed on State Enterprise Privatization

BK1103084595 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 9 Mar 95

[FBIS Translated Text] Deputy Prime Minister Tran Duc Luong signed a memo on 7 March to be sent to various ministries, ministerial-level organs, government agencies, and provincial and city people's committees under the central authorities. It notifies the recipients of certain issues to be solved after a state enterprise is privatized. Three state enterprises have been privatized so far.

The prime minister had earlier advised that after being transformed from a state-run enterprise into a shareholding corporation, the corporation concerned must follow the establishment procedures and must register its business under the law on corporations. So far, only the Co Dien Lanh Cold Air Electric Engineering Corporation has registered its business in accordance with the regulations now in force. Therefore, the prime minister has just ordered the chairmen of provincial and city people's committees under the central authorities to base themselves on the stipulations of the law on corporations and an amendment to this law on issuing establishment permits and business licenses to shareholding corporations transformed from state enterprises in their areas of responsibility.

The Ministry of Finance is responsible for directing the relevant organs in transferring the assets of privatized state enterprises to the related shareholding corporations.

Vo Van Kiet Instructs on Development of Cities

BK1203102395 Hanoi VNA in English 0610 GMT 12 Mar 95

[FBIS Transcribed Text] Hanoi VNA March 12—Working with leading officials of Hanoi, the prime minister affirmed the city's progress in 1994, noting that GDP growth was 1.5 times the national figure while its master plan for infrastructure development till the year 2000 had been completed.

However, Mr. Kiet emphasized the existence of on-going problems, including violations of laws on land-use right, the protection of dykes and traffic jam. The mobilisation of capital for the construction of infrastructure facilities still lags behind other localities.

During the period 1995-2000, the PM [Prime Minister] instructed, Hanoi has to carry out a reasonable investment strategy linked with re-structuring the economy structure. This process should increase the proportion of trade, services, industry and construction, drawing on the city's attributes. While the plan must be completed in detail, it stressed order has to be set up again in the management of private medical and pharmaceutical service. In addition, the struggle against social evils, corruption and smuggling, must be stepped up.

The planning committee of Ho Chi Minh City has set out a target to attain the GDP per capital of USD [U.S. dollars] 1,600 in 2000, treble the 1990 figure.

To his end, the city has to re-arrange the state-run economic sector and replace its technological equipment, addressing the fact that more than 15 percent of the enterprises in this sector do not make profits, while the remainder have not attained stable and solid growth. Even though the service sector sees the annual growth of 10.3 per cent, the proportion of services for production is still low, with post and communication services accounting for 6.5 per cent of GDP, and banking and financial services 2.4 per cent .

Another area in need of major reform is the agricultural production. Although its infrastructure was given priority in investment, it has not met the requirement of the city the people's potential and foreign investment capital in this area has not been fully exploited the transformation of agricultural structure is limited. [sentence as received]

The city's export earning does not match its potential, the growth of foreign investment has slowed down, the Ho Chi Minh City official remarked. However, they stressed, the city has overcome crisis with a GDP growth rate of 14.8 per cent and is capable of entering into a new stage of development.

State Bank Governor on Banking Sector, Economy

BK1003144195 Hanoi Voice of Vietnam in English 1000 GMT 9 Mar 95

[From the "Vietnam's Economy" feature]

[FBIS Transcribed Text] The governor of Vietnam State Bank, Mr. Cao Sy Kiem, said: Last year Vietnam banking industry recorded comprehensive achievements and initially integrated into the market economy, thus contributing to economic development and checking inflation. It also renewed the banking technology and improved the banking business and services. The total volume of funds mobilized last year increased by 40 percent and capital construction by 96 percent.

The Vietnam State Bank has contributed to stabilizing the value of Vietnamese dong and the exchange rate. However, to meet requirements of industrialization and modernization of the country and to achieve the target of economic growth of 9-10 percent this year, the need for investment capital will be greater. It is estimated that this year Vietnam will need 60,000 billion dong or $6 billion, accounting for 25 percent of its GDP. Inflation in 1995 should be checked to below 10 percent. To this end, the state should improve its macromanagement and maintain the surplus of expenditure of less than 4.5 percent of the GDP. Maintenance of balance of payment this year will further be improved thanks to more foreign investment capital in Vietnam. It is estimated that this year the trade balance is still surplus by $1 billion. Therefore, the policy of export and import will play an important role in checking inflation rate. Our positive measures will have to be taken to attract more foreign investment and mobilization of capital.

Mr. Cao Sy Kiem stressed 1995 will be the end of the five-year plan. Therefore, banking activities plays an important role in actively contributing to industrialization and modernization of the country. The first and foremost task of the banking industry is to create capital and meet short term and long term capital needs of different economic sectors. We will focus efforts on major solutions such as finalizing the monetary market, gradually modernizing and internationalizing the banking technology, particularly finance. We will also try to expand various credit funds in the new form to help the millions of farmers develop their economies.

Minister Discusses Economy, Illegal Housing

BK1103115895 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 10 Mar 95

[FBIS Translated Text] The government office held a news conference in Hanoi this afternoon with the participation of leading comrades from the various news agencies, press, radio, and television organs at the central level, in Hanoi, and other northern provinces and cities.

At the news conference, Mr. Le Xuan Trinh, cabinet minister and director of the government office, reported on the socioeconomic situation of the first two months of the year. He also reported on a plan to deploy the party Central Committee's eighth plenum resolution whose main aim is to further renovate the state administration.

As for the socioeconomic situation, Comrade Le Xuan Trinh said commodities prices have been unfavorable in the past two months. Commodity prices have risen by 7.2 percent with grain prices soaring over 12 percent. Food prices have increased by nearly 13 percent at a time when the price index approved by the National Assembly allows for only a nearly 10-percent rise for whole year of 1995.

To alleviate this situation, the government has set forth some general solutions and many immediate countermeasures such as increasing production and more satisfactory regulation of food and grain distribution. The state is likely to provide subsidies for business units if necessary to keep fertilizer price at 3,000 dong per kilo; provide price subsidies for raw sugar and refined sugar imported as reserve stock and for refinement; import more essential goods such as cement, iron and steel; and immediately discard the undesirable system of ration stamps in the sale of cement. The government will get banks to expand their non-cash financial settlement system and will regulate the flow of money, reduce business taxes, and lower taxes levied on banks to reduce interest.

At the news conference, Cabinet Minister Le Xuan Trinh announced Prime Minister Vo Van Kiet's final decision on action against illegal housing construction on the Yen

Phu-Nhat Tan river dike portion in Hanoi. After examining the results of a recent inspection by scientific organs, Prime Minister Vo Van Kiet has reached the following five-point conclusion:

1. Violations of the law governing river dikes is a very grave offense as breakage may cause untold losses. As the Hanoi river dike is a type of super dike, breakage will be more damaging. Therefore, it is necessary to restore the dike and reinforce it. The Hanoi municipality and the Ministry of Water Conservancy have realized their shortcomings in the management and protection of dikes and from this, they have promptly stepped up investigations to come up with timely countermeasures.

2. The plan to deal with the Hanoi dike problem calls for the achievement of two targets: firmly maintaining law and order, and ensuring the absolute safety of dikes. This involves preventing water seepage, ensuring enough security areas for the dikes, and creating favorable conditions for inspecting, detecting, and dealing with problems that may arise during the rainy and flashflooding season.

3. An urgent plan to deal with this situation must be finalized before May so that we will have time to further revamp and perfect it in May and June before this year's rainy and flashflooding season. Technically, all obstacles must be cleared from the dike's slope to make way for traffic along the dikes. The prime minister suggests two steps to achieve this: The first will involve dismantling homes built at the foot of the dikes and those five meters away. Thus, 267 houses will be dismantled. This must be done with specific targets so that it can be completed within the month May.

4. With regard to the relocation of homes, the prime minister asks that the Hanoi Municipal People's committee draw up a specific plan to educate, propagate, and encourage the people to voluntarily dismantle their homes built in violation of the law on river dikes. If high-ranking cadres or the families of high-ranking cadres own any of the illegally-built homes, they must be encouraged to dismantle them and action will be taken against them later as with other ordinary violators.

5. The prime minister asks that the Ministry of Interior promptly prepare a plan for legal action against anyone found violating the law on dike protection at the venue in question.

Many newsmen expressed their views after Minister Le Xuan Trinh announced the final decision of Prime Minister Vo Van Kiet. Minister of Water Conservancy Nguyen Canh Dinh and the chairman of the Hanoi Municipal People's Committee also answered a number of questions raised by the newsmen.

Minister Le Xuan Trinh concluded the conference by saying that he would provide Prime Minister with feedback on those questions raised by newsmen. He also contributed his views on the measures to be taken against these dike violations. He stressed that it is Prime Minister Vo Van Kiet's intention to take drastic action so that law and order is maintained and the safety of this very important river dike is ensured.

The government office will have an official memo on Prime Minister's final decision on this matter.

Domestic Economic Growth for 1994 Reviewed

BK1203153795 Hanoi VIETNAM INVESTMENT REVIEW in English 2-8 Jan 95 p 9

[Report by Trung Duc and Tran Fe]

[FBIS Transcribed Text] Vietnam's gross domestic product (GDP) grew 8.8 percent in 1994, evidence in support of Vietnam's ambitious economic reforms, according to a year-end report released last week by the General Department of Statistics (GDS).

The GDS report listed the country's 1994 GDP at VND [Vietnamese Dong] 170.258 trillion (US$15.455 billion).

From 1991 to 1994, on average, Vietnam's GDP has increased 7.8 percent per annum, twice the rate of growth during the 1986-1990 period. The country's product production sector gained eight percent over 1993 while services grew 10.2 percent in 1994.

Vietnam's services and industry sectors account for a growing proportion of GDP by comparison to the agriculture and forestry sector which has grown at a slower rate.

The shift toward services and industry confirms the country's efforts to modernize through industrialization.

The total food output exchanging into paddy gained 26 million tonnes increasing 500,000 tonnes by comparison to 1993. Vietnam's food output per capita is 358.5 kg.

Industry's leading products in growth were crude oil, electricity, cement, paper, steel, tool machinery, and fertilizer.

Capital construction investment under the State budget reached VND12.4 trillion (US$1.127 billion).

A number of important works were put into operation including the Hoa Binh hydroelectric plant, the 500 kv North-South power line, the North Thang Long-Noi Bai highway, Tan Son Nhat Airport's new tarmac, and the Ba Ria gas turbine group.

Some works are entering the final stages of construction including the Vinh Son and Thac Mo hydro-electric plants, the gas pipeline from the Bach Ho offshore oil field, the Yali hydro- electric plant, highway No. 5, the second production line at the Hoang Thach Cement plant and the Cau Trang coal selection plant.

The total retail sales of consumer goods in 1994 reached VND85.25 trillion, an increase of 26.7 percent over

1993. Sales through State-owned commercial agencies accounted for 23.6 percent of the total retail sales figures.

The total import-export value in 1994 reached US$8 billion; US$3.6 billion of which is through export.

The total State budget revenue in 1994 increased 32.7 percent compared to last year. Tax and fee collection increased 43.7 percent. Of note, import-export tax collection in 1994 increased 71.9 percent over 1993 accounting for 27.9 percent of total budget receipts.

Receipts from sectors with foreign-invested capital increased 35.2 percent over 1993—17.5 percent of total budget receipts.

Expenditures in 1994 increased by comparison to 1993, including expenditures in education and training (up 44.6 percent), for public health (up 40 percent), for culture and information up (59.1 percent) and for scientific research (up 31.7 percent).

The State set aside money in 1994 to combat 'social evils' including drug abuse (VND50 billion), AIDS (VND40 billion), and prostitution (VND20 billion).

To speed economic growth in 1995 and achieve all the targets of the five year plan (1991-1995), economic experts said that Vietnam should carry out four essential campaigns:

First, domestic and overseas capital mobilization must account for 30-40 percent of GDP to attain an economic growth rate of over 10 percent.

Second, Vietnam's management mechanism must continue its renovations to increase economic efficiency of State-owned enterprises. While State-owned enterprises contribute nearly 70 percent of the total budget receipts, their economic efficiency remains very low.

Third, keep inflation at the single-digit level. And fourth, sharply curtail population growth. At the current population growth rate in excess of two percent, Vietnam will find it difficult to take advantage of growth to overcome social problems.

DPRK Foreign Ministry Mission Ends Visit

BK1203151995 Hanoi VNA in English 1454 GMT 12 Mar 95

[FBIS Transcribed Text] Hanoi VNA March 12—A mission of the Asia Department of the DPRK Ministry for Foreign Affairs led by its head today concluded a week-long visit.

The guests were received by Deputy Foreign Minister Vu Khoan and deputy head of the External Relations Commission of the party Central Committee Pham Van Chuong.

During their meeting with the North-Eastern Asia Department of the Vietnam Ministry for Foreign Affairs mission, the DPRK officials exchanged views with the hosts on various questions of common concern and discussed measures to promote the relations between the two ministries.

Before departure, the DPRK mission toured some economic and cultural establishments in Hanoi and other parts of Vietnam.

Envoys of Francophone Nations Discuss Education

BK1103115695 Hanoi VNA in English 1349 GMT 10 Mar 95

[FBIS Transcribed Text] Hanoi VNA March 10—The second meeting of ambassadors of the countries to participate in the summit of the heads of state of French-speaking nations was held on March 6th, at the regional office of the Agency for Cultural and Technical Cooperation (ACTC), in Hanoi.

The first order of business was cooperation in education and training among Francophone countries. Vietnam presented a list of 12 high-priority projects for primary, secondary, technical and higher education, as well as needs for the following kinds of training: professional, economic, financial administrative, judicial and tourist industry.

Representatives of the nine countries and two international agencies present then described their support for Vietnam. The ACTC will arrange for coordination between the needs expressed and the offers of help extended. In addition, the office will centralise information on scholarships offered Vietnam by the participating countries.

In addition to Vietnam, the following countries were represented: Belgium, Bulgaria, Cambodia, Canada, Egypt, France, Laos, Romania, and Switzerland. The international agencies were the ACTC and the AUPELF-UREF [Association des Universites Partiellement et Entierement de Langue Francaise-Union des Reseaux Enseignement Francaise], an association of francophone and partially francophone universities.

Do Muoi, Leaders Attend Writers Congress

BK1203152795 Hanoi VNA in English 1437 GMT 12 Mar 95

[Quotation marks as received]

[FBIS Transcribed Text] Hanoi VNA March 12—The Fifth National Congress of the Vietnam Writers Association opened here this morning in the presence, among others, of party General Secretary Do Muoi, advisor to the party Central Committee Pham Van Dong, National Assembly Chairman Nong Duc Manh, Deputy Prime Minister Phan Van Khai, and other senior officials.

State President Le Duc Anh and Prime Minister Vo Van Kiet sent bouquets of flowers to the congress.

The general secretary of the association, Mr. Vu Tu Nam, delivered a report on the literature development over the past years. The report said that many of the professional writers had participated in the people's struggle against the French and US aggressors.

Reviewing the achievements of the Vietnamese literature in recent years, the report said 'as members of the society, writers are conscious of their responsibilities in the national renovation process initiated by the party. Thus, they have actively participated in this process through their works. Looking back the path from 1990 to now, with the complicated changes in the world and the effects on the country's situations, particularly by an ideological and cultural attack launched by hostile forces against Vietnam, Vietnamese literature still stood firmly and has witnessed many encouraging achievements...

'Together with the democratization in the political and ideological life, in the country, writers have been provided with favourable conditions for creation.

Vietnamese literature has recently begun taking themes from current issues in the world such as the protection and development of national culture, environment and family happiness.

The report also pointed to some concerns in the current literature life, namely the appearance of a trend of negating the glorious past time and the revolution. This phenomena has been detected in several works, and it runs counter to the principles of national ethics.

With regard to literature theory and criticism, the report made known that in the area of literature theory and criticism in recent years it was a real struggle between renovation on the basis of the achievements of the revolutionary literature, and the tendency of 'renovation' of extremist viewpoints to negate the past, misevaluate the literature that had been linked with the destiny of the whole nation over the past 50 years.

Addressing the congress, the party chief expressed wish that writers, fighters on the cultural-ideological front, would contribute to the country's on-going construction of a prosperous country.

The three-day congress is being attended by 469 out of the total 551 writers presently working throughout the country.

Ministers Attend Meeting on Religious Affairs

BK1103125595 Hanoi VNA in English 1447 GMT 10 Mar 95

[FBIS Transcribed Text] Hanoi VNA March 10—The government's Religious Affairs Commission held a national conference here from March 7-9 to review the religious situation in 1994, and work out a programme of action for 1995.

The conference, chaired over by Mr. Vu Quang, head of the government religious commission, was attended by Mr. Vu Oanh, politburo member of the Communist Party of Vietnam Central Committee, Mr. Nguyen Khanh, vice prime minister, and other senior officials.

Reporting on the religious situation Mr. Vu Oanh said: In the comprehensive renovation process of the country, religious work has been pushed forward and renewed, making considerable contributions to the country's multi-faceted achievements. Followers of all religions have enjoyed freedom of religion. Their life has been improved remarkedly, and their belief in the party and the state increased. They have also actively taken part in national construction and defence.

The conference worked out directions for 1995 with a view to encouraging religious followers to uphold the spirit of patriotism, self-determination and national defence, while striving for the goals of prosperous people, strong country, and just and civilized society.

The conference affirmed that the work of mobilizing religious followers should be based on the implementation of the socio-economic policies, the security and national defence policies and observation of laws, improving the material and spiritual life of the people throughout the country, including followers of various religions. Personnel training should be inceased to ensure that religious activities remain in line with state laws. This work would be aimed at defeating any scheme of hostile forces for religious and national division.

Mr. Vu Oanh, on behalf of the Political Bureau of the party Central Committee, hailed the close coordination of the Religious Affairs Commission with other organizations in this work. He reiterated the party and state's constant policy of respect for freedom of religion.

Vice P.M. Nguyen Khanh highlighted the efforts and achievements of the Religious Affairs Commission. He asked the staff of the commission at various levels to help all religious followers to thoroughly grasp the party and state's religious affairs policy, and to be united in the cause of national development.

Australia

Afghanistan Offered $3.5 Million in Aid

BK1103145095 Melbourne Radio Australia in English 0500 GMT 11 Mar 95

[FBIS Transcribed Text] Australia has announced it will provide further assistance to the victims of the conflict in Afghanistan by contributing more than $3.5 million [Australian] for relief and rehabilitation programs. The minister for development cooperation, Gordon Bilney, said the outbreak of heavy factional fighting in Kabul early last year exacerbated an already highly unstable security situation. He said there are now some 300,000 displaced people in camps in the city of Jalalabad alone dependent on international assistance. Mr. Bilney also said there are also still up to three million Afghan refugees in neighboring Iran and Pakistan. The latest Australian assistance involves about 8,000 tons of wheat which will be provided to the World Food Program. Money will also provided for mine clearing programs and emergency water and sanitation.

Unemployment Drops to 8.9 Percent in Feb

BK0903104895 Melbourne Radio Australia in English 0500 GMT 9 Mar 95

[FBIS Transcribed Text] The Australian Government says the country's economy is on track as evidence in employment figures out today showing the number of Australians employed rose by more than 75,000 in February. Kelly Pozeti reports Australian Bureau of Statistics figures showed the seasonally adjusted unemployment rate has fallen slightly.

[Begin Pozeti recording] There are now 801,100 Australians out of work and the official jobless rate stands at 8.9 percent—a fall of 0.1 percent on the January figures. The number of people looking for work has increased. However, significantly, full-time employment has grown by 91,000 and the number of people in part-time work also continues to rise. [end recording]

Cook Islands

U.S. Warned About Forged Letters of Guarantee

LD1303112895 Melbourne Radio Australia in English 0700 GMT 13 Mar 95

[FBIS Transcribed Text] The office of the controller of currency in the United States has issued a precautionary alert to American banks to watch for forged Cook Islands letters of guarantee with face values of millions of dollars. Cook Islands Prime Minister Sir Geoffrey Henry says his government instigated the warning after the use of at least one forged document, but he gave no details. He says he had cancelled letters of guarantee issued between May and October last year, which had a face value of almost 1.3 billion dollars [currency not further specified].

Sir Geoffrey says the Cook Islands requested the American alert to prevent the possibility of further fraudulent use of the documents. A full report prepared by an official from New Zealand's Reserve Bank on the letters of guarantee is expected to be released next week.

Fiji

Policemen Leave for Peacekeeping Duty in Angola

BK1103150295 Melbourne Radio Australia in English 0500 GMT 11 Mar 95

[FBIS Transcribed Text] Ten Fiji police officers leave today for United Nations peacekeeping duties in Angola. They'll serve with 260 officers from other countries, (?who are also known as) the United Nations Angola Verification Mission. Their role will be to oversee the unification of the government and the rival nationalist group, UNITA [National Union for the Total Liberation of Angola], and to prepare the country for free elections. The Fiji officers could be in Angola for at least a year.

Papua New Guinea

Government Increases Spending Despite Warnings

BK0703055695 Melbourne Radio Australia in English 0500 GMT 7 Mar 95

[FBIS Transcribed Text] Papua New Guinea's [PNG] 1995 budget has increased government spending despite warnings against such a course by the World Bank, the International Monetary Fund, and the Australian Government. In handing down the budget today, the PNG Government said spending is up but the deficit would be down because of expected increased revenue. As Sean Dorney reports, this comes despite a forecast from Finance Minister Chris Haiveta that the PNG economy would shrink by more than 5 percent this year.

[Begin recording] [Dorney] The World Bank has been calling on PNG to freeze government spending at last year's level for five years, but Mr. Haiveta says there will be a 3 percent increase in spending. The focus will swing to capital with a 100 percent jump in capital spending.

PNG's finance minister says the financial rescue package that the World Bank, the IMF, and Australia have urged upon his country is not needed.

[Haiveta] This budget is drawn up on the assumption that we can do it ourselves, without World Bank, without IMF, without anyone. So, if discussions with the IMF and with the World Bank come through, all the better for PNG. If it does not come through, it does not matter to us because we have got to stand up on our own two feet. [end recording]